By Mr. SWING: A bill (H. R. 6687) for the relief of Henrietta Seymour, widow of Joseph H. Seymour, deceased; to the Committee on Military Affairs.

By Mr. SWOOPE: A bill (H. R. 6688) granting an increase of pension to Emma C. Weston; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 6689) for the relief of Charles W. Anderson; to the Committee on Claims.

Also, a bill (H. R. 6690) for the relief of George T. Larkin; to the Committee on Claims.

Also, a bill (H. R. 6691) for the relief of M. L. Ward; to the Committee on Claims.

Also, a bill (H. R. 6692) for the relief of Virgie Young; to the Committee on Claims.

Also, a bill (H. R. 6693) for the relief of Thomas Green; to the Committee on Claims.

By Mr. TILSON: A bill (H. R. 6694) granting an increase of pension to Abraham Senator; to the Committee on Pensions.

By Mr. TOLLEY: A bill (H. R. 6695) granting a pension to Lois A. Briggs; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H. R. 6696) for the relief of Edward J. O'Rourke, as guardian of Katie I. O'Rourke; to the Committee on Claims.

By Mr. WHITE of Maine: A bill (H. R. 6697) for the relief of Alfred W. Mathews, former ensign, United States Naval Reserve Force; to the Committee on Naval Affairs.

Also, a bill (H. R. 6698) granting a pension to Angie H. Skinner; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Texas: A bill (H. R. 6699) granting an increase of pension to Amanda J. Crisp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6700) granting an increase of pension to Mary C. Marvin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6701) for the relief of J. H. Wallace; to the Committee on Claims.

By Mr. WILLIAMS of Illinois: A bill (H. R. 6702) granting an increase of pension to Jesse Vandigriff; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6703) granting an increase of pension to Lucy A. Gallegly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6704) granting an increase of pension to Mary E. Phillips; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6705) granting a pension to Charles Wesley Simmons; to the Committee on Invalid Pensions.

By Mr. WOODRUFF: A bill (H. R. 6706) granting an increase of pension to Jane Thompson; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

221. By Mr. ARNOLD: Petition from Spanish-American War veterans of Mount Vernon, Ill., and vicinity, favoring the passage of House bill 98, to grant an increased rate of pension to this class of veterans; to the Committee on Pensions.

222. By Mr. BURTON: Petition adopted by the Commercial Law League of America at its annual convention, Mackinac Island, Mich., approving the principle of increased compensation for Federal judges; to the Committee on the Judiciary.

223. By Mr. GRIEST: Petition of the members of the General George C. Crook Cantonment, No. 8, Philadelphia, Pa., in favor of the Smith bill (H. R. 12), granting a pension to surviving Indian war veterans and their dependents; to the Committee on Pensions.

224. By Mr. FRENCH: Petition of Moscow Chamber of Commerce, Moscow, Idaho, to modify the existing tariff law and provide a duty of 3 cents per pound upon all peas imported to the United States from foreign countries; to the Committee on Ways and Means.

225. Also, petition of Wallace Board of Trade, Wallace, Idaho, to modify the existing tariff law and provide a duty of 3 cents per pound upon all peas imported to the United States from foreign countries; to the Committee on Ways and Means.

226. Also, petition of Pocatello Chamber of Commerce, Pocatello, Idaho, to modify the existing tariff law and provide a duty of 3 cents per pound upon all peas imported to the United States from foreign countries; to the Committee on Ways and Means.

227. Also, petition of Kootenai Valley Commercial Club, Bonners Ferry, Idaho, to modify the existing tariff law and provide a duty of 3 cents per pound upon all peas imported to the United States from foreign countries; to the Committee on Ways and Means.

228. By Mr. KINDRED: Petition of the College Point Taxpayers Association, asking for a modification of the Volstead law to permit the sale of beer and light wines; to the Committee on the Judiciary.

229. By Mr. ROUSE: Resolution of Local Union 698, of the Newport, Ky., International Union, protesting against the proposed combination of the Ward, Continental, and General Baking Cos.; to the Committee on the Judiciary.

230. By Mr. TILSON: Petition adopted by the Connecticut Chamber of Commerce regarding the settlement of the Italian war debt and those of other countries; to the Committee on Ways and Means.

231. By Mr. WATSON: Resolution passed by the Philadelphia Society for Promoting Agriculture, favoring an appropriation to eradicate tuberculosis in cattle; to the Committee on Agriculture.

SENATE

TUESDAY, *January 5, 1926*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, lover of our souls, and desiring that we should realize the highest good for Thy glory and for the welfare of our fellow men, we come this morning with some degree of sadness asking Thee to remember the stricken home and to give unto them the comforts of Thy grace at this time of gloom. Reveal to each of us how we had best conduct ourselves along the pathway of life, not knowing what may be for us as the days multiply, but we would like to have Thy hand holding ours, leading us through the steeps and in the dark places until we shall see Thy face in peace. Through Jesus Christ our Lord. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

AMERICAN AND IMPERIAL TOBACCO COS.

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Federal Trade Commission advising the Senate that a report of an investigation by the commission of certain charges against the American Tobacco Co. and the Imperial Tobacco Co. of boycotting tobacco growers' cooperative marketing associations, made under Senate Resolution 329, of the Sixty-eighth Congress, has been transmitted to the President, which was ordered to lie on the table.

TRAVEL REPORT, INTERIOR DEPARTMENT

The VICE PRESIDENT laid before the Senate, pursuant to law, a report of the Secretary of the Interior, showing in detail what officers or employees (other than special agents, inspectors, or employees who in the discharge of their regular duties are required to constantly travel) have traveled on official business for the department from Washington to points outside of the District of Columbia during the fiscal year ended June 30, 1926, etc., which was referred to the Committee on Appropriations.

REPORT OF AMERICAN WAR MOTHERS

The VICE PRESIDENT laid before the Senate, pursuant to law, the first annual report of the American War Mothers for the year 1925, which was referred to the Committee on Military Affairs.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed a bill (H. R. 5959) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS

Mr. EDGE presented a telegram, in the nature of a memorial, from Mary O'Neill and members of the Liam Mellowes Council of the American Association for the Recognition of the Irish Republic, of Jersey City, N. J., remonstrating against the participation of the United States in the Permanent Court of International Justice, which was ordered to lie on the table.

Mr. JONES of Washington presented resolutions of the legislative committee of the Spokane (Wash.) Central Labor Council favoring an investigation of the plans and activities of the promoters of the so-called Bread Trust, etc., which were referred to the Committee on Agriculture and Forestry.

Mr. McLEAN presented a petition of Charles P. Kirkland Camp, No. 18, United Spanish War Veterans, of Winstead, Conn., praying for the passage of legislation granting increased

pensions to aged and disabled veterans of the war with Spain and their widows and orphans, which was referred to the Committee on Pensions.

He also presented a resolution adopted by the board of directors of the Connecticut Chamber of Commerce, at Hartford, Conn., indorsing the terms of settlement of the Italian war debt and urging that the Government of France be requested to again take up the debt problem with this country, so that a settlement may be effected on the most generous lines compatible with the dignity of both countries, which was ordered to lie on the table.

He also presented letters and papers in the nature of petitions Nos. 1, 2, 3, and 5, Ancient Order of Hibernians, of New Haven, Conn., protesting against the participation of the United States in the Permanent Court of International Justice, which was ordered to lie on the table.

He also presented letters and papers in the nature of petitions of the Committee on International Cooperation to Prevent War, Connecticut League of Women Voters, of Stamford; the Leagues of Women Voters of Greenwich and Hamden; members of the Eagle Rock Congregational Church, of Thomaston; sundry citizens of Roxbury; the Woman's Town Improvement Association, of Westport; and the World Court Commitetes of Waterbury, New London, Meriden, and Norwich, all in the State of Connecticut, praying for the participation of the United States in the Permanent Court of International Justice, which were ordered to lie on the table.

Mr. CAPPER. Mr. President, I send to the desk certain resolutions, which were adopted by the National Farmers' Union in regular annual session at Mitchell, S. Dak., November 17–19, 1925, and ask that they may be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

The following resolutions were adopted by the National Farmers' Union in regular annual session at Mitchell, S. Dak., November 17–19, 1925:

"We, your committee on legislation and resolutions, beg leave to submit the following report:

"We approve the order given by President Coolidge that appropriations for Army and Navy must be reduced next year $20,000,000, but deplore the increased appropriation for maintenance of State militia and citizen training camps under the guise of education.

"We oppose the repeal of the present gifts of inheritance tax law or any reduction in the schedules. We oppose any reduction of income tax rates on the higher incomes.

"We are for Government completion of the Muscle Shoals project and Government operation in the interest of agriculture.

"We reiterate the stand taken by former National Farmers' Union conventions in asking Congress to submit proposed constitutional amendments providing for election of Federal judges and the election of President and Vice President of the United States by direct vote of the people.

"We oppose any change in our immigration laws which would allow an increase of the present percentage rate, and we urge rigid enforcement of the laws against smuggling.

"We believe the tariff commission and the President of the United States should exercise the flexible provisions of the Fordney-McCumber bill and increase the tariff rates upon frozen eggs, meats, and dried-egg products to the maximum amount possible under this law.

"Agriculture can never be free, economically, until it is free financially. We believe that equality for agriculture with national agency for financing, both the operation and the marketing of their crops. To this end we advocate the enactment of a measure by Congress with provisions similar to those embodied in the Norbeck-King bill.

"The Government is now in possession of funds to the amount of about $300,000,000 that properly is in trust for agriculture. We believe that these funds now held by the War Finance Corporation, the Intermediate Credit Banks, and the United States Grain Corporation should be used for the capitalization of a nation-wide credit agency, with ample power to rediscount agricultural paper and, in emergency, to issue its own currency notes based on such paper, being the same privilege now enjoyed by the Federal reserve bank."

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. EDGE:

A bill (S. 2126) for the relief of George Andre and Alphonse Andre; to the Committee on Claims.

By Mr. NEELY:

A bill (S. 2127) for the relief of Willis B. Cross;

A bill (S. 2128) for the relief of Samuel Spaulding; and

A bill (S. 2129) for the relief of Henry Mathews; to the Committee on Military Affairs.

A bill (S. 2130) granting a pension to George W. Sampson;

A bill (S. 2131) granting an increase of pension to Floyd A. Honaker;

A bill (S. 2132) granting an increase of pension to Susan Amelia Batson;

A bill (S. 2133) granting an increase of pension to Victoria Coffman;

A bill (S. 2134) granting an increase of pension to Frances Chidester; and

A bill (S. 2135) granting an increase of pension to Mary E. Yoho; to the Committee on Pensions.

By Mr. DILL:

A bill (S. 2136) granting an increase of pension to Jonathan L. Cresom; to the Committee on Pensions.

A bill (S. 2137) to provide for the retirement of David E. Lunsford as a corporal in the United States Army; to the Committee on Military Affairs.

A bill (S. 2138) to regulate the manufacture, printing, and sale of envelopes with postage stamps embossed thereon; to the Committee on Post Offices and Post Roads.

By Mr. OVERMAN:

A bill (S. 2139) for the relief of William W. Green, warrant officer, United States Army; to the Committee on Military Affairs.

By Mr. BRATTON:

A bill (S. 2140) to amend paragraphs 18, 19, and 20 of section 400 of the transportation act, approved February 28, 1920, and all acts amendatory thereof and supplementary thereto; to the Committee on Interstate Commerce.

By Mr. WHEELER:

A bill (S. 2141) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. COPELAND:

A bill (S. 2142) to provide for regulating traffic in certain clinical thermometers, and for other purposes; to the Committee on Interstate Commerce.

By Mr. CURTIS:

A bill (S. 2143) to incorporate the American Bar Association; to the Committee on the Judiciary.

By Mr. SHEPPARD:

A bill (S. 2144) for the relief of Tampico Marine Iron Works; to the Committee on Claims.

By Mr. GREENE:

A bill (S. 2145) granting an increase of pension to Catherine Rumney; to the Committee on Pensions.

By Mr. WADSWORTH:

A bill (S. 2146) to amend section 5 of an act entitled "An act to create a Federal trade commission, to define its powers and duties, and for other purposes," approved September 26, 1914; to the Committee on Interstate Commerce.

By Mr. NORRIS:

A bill (S. 2147) to provide for the operation of Dam No. 2 at Muscle Shoals, Ala., for the construction of other dams on the Tennessee River and its tributaries, for the incorporation of the Federal Power Corporation, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. LENROOT:

A bill (S. 2148) for the relief of Frank Murray; to the Committee on Claims.

By Mr. McLEAN:

A bill (S. 2149) granting a pension to William H. Webb (with accompanying papers);

A bill (S. 2150) granting a pension to Emma J. Cowles (with accompanying papers); and

A bill (S. 2151) granting a pension to Minnie M. Smith (with accompanying papers); to the Committee on Pensions.

By Mr. PEPPER:

A bill (S. 2152) for the relief of Lawrence Harvey; to the Committee on Naval Affairs.

A bill (S. 2153) for the relief of Charles Ritzel; to the Committee on Claims.

A bill (S. 2154) granting a pension to Mary E. Gray;

A bill (S. 2155) granting an increase of pension to Edward F. Stewart; and

A bill (S. 2156) granting an increase of pension to Robert S. Stine; to the Committee on Pensions.

By Mr. WILLIS:

A bill (S. 2157) granting an increase of pension to Maria C. Buchanan (with accompanying papers); to the Committee on Pensions.

By Mr. MEANS:

A bill (S. 2158) for the relief of certain disbursing officers of the office of Superintendent State, War, and Navy Department Buildings; to the Committee on Claims.

By Mr. CARAWAY:

A bill (S. 2159) relating to hotel charges in the District of Columbia; and

A bill (S. 2160) prohibiting the intermarriage of the Negro and Caucasian races in the District of Columbia and the residence in the District of Columbia of members of those races so intermarrying outside the boundaries of the District of Columbia, and for other purposes, and providing penalties for the violation of this act; to the Committee on the District of Columbia.

A bill (S. 2161) for the relief of certain landowners; and

A bill (S. 2162) to authorize the payment of 50 per cent of the proceeds arising from the sale of timber from the national forest reserves in the State of Arkansas to the promotion of agriculture, domestic economy, animal husbandry, and dairying within the State of Arkansas, and for other purposes; to the Committee on Public Lands and Surveys.

A bill (S. 2163) granting the consent of Congress to the Fulton Ferry & Bridge Co. to construct a bridge across the Red River at or near Fulton, Ark.;

A bill (S. 2164) to permit the city of Fort Smith, Sebastian County, Ark., to erect or cause to be erected a dam across the Poteau River; and

A bill (S. 2165) to provide for the disposal of vessels held by the United States Shipping Board; to the Committee on Commerce.

A bill (S. 2166) for the relief of Orin Thornton;

A bill (S. 2167) for the relief of Obadiah Simpson;

A bill (S. 2168) for the relief of Elbert Kelly, a second lieutenant of Infantry in the Regular Army of the United States;

A bill (S. 2169) for the relief of William Sparling; and

A bill (S. 2170) making eligible for retirement under the same conditions as now provided for officers of the Regular Army Capt. Oliver A. Barber, an officer of the United States Army during the World War, who incurred physical disability in line of duty; to the Committee on Military Affairs.

A bill (S. 2171) to define the jurisdiction of courts in the District of Columbia in civil action against Members of Congress;

A bill (S. 2172) to require registration of lobbyists, and for other purposes; and

A bill (S. 2173) for the relief of employees of the Bureau of Printing and Engraving who were removed by Executive order of the President dated March 31, 1922; to the Committee on the Judiciary.

A bill (S. 2174) for the purchase of a site and the erection of a public building at El Dorado, Ark.;

A bill (S. 2175) to increase the cost of public building at Russellville, Ark.;

A bill (S. 2176) for the purchase of a site and the erection of a public building at Forrest City, Ark.; and

A bill (S. 2177) to enlarge and extend the post-office building at Jonesboro, Ark.; to the Committee on Public Buildings and Grounds.

A bill (S. 2178) for the relief of Harry P. Creekmore; to the Committee on Naval Affairs.

A bill (S. 2179) granting an increase of pension to William H. Lilley;

A bill (S. 2180) granting an increase of pension to C. W. Kerlee;

A bill (S. 2181) granting an increase of pension to John H. Cook;

A bill (S. 2182) granting an increase of pension to Amanda E. Whitham;

A bill (S. 2183) granting an increase of pension to Cora Hubbard;

A bill (S. 2184) granting a pension to Louisa Bell;

A bill (S. 2185) granting a pension to W. E. Parker;

A bill (S. 2186) granting an increase of pension to Martha Burley; and

A bill (S. 2187) granting a pension to Isaac Pierce; to the Committee on Pensions.

A bill (S. 2188) for the relief of G. C. Allen;

A bill (S. 2189) for the relief of W. B. deYampert;

A bill (S.2190) for the relief of S. Davidson & Sons;

A bill (S. 2191) for the relief of Clarence Winborn;

A bill (S. 2192) for the relief of Ella H. Smith;

A bill (S. 2193) for the relief of Grover Ashley;

A bill (S. 2194) for the relief of James Rowland;

A bill (S. 2195) for the relief of Mrs. H. J. Munda;

A bill (S. 2196) for the relief of the Interstate Grocer Co.;

A bill (S. 2197) for the relief of Paul B. Belding;

A bill (S. 2198) for the relief of Robert L. Martin;

A bill (S. 2199) for the relief of Carl L. Moore;

A bill (S. 2200) for the relief of James E. Fitzgerald; and

A bill (S. 2201) for the relief of Claude J. Church; to the Committee on Claims.

By Mr. FRAZIER:

A bill (S. 2202) to provide that jurisdiction shall be conferred upon the Court of Claims, notwithstanding the lapse of time or statutes of limitation, to hear, examine, and adjudicate and render judgment in any and all legal and equitable claims arising under or growing out of any treaty or agreement between the United States and certain bands of Indians, and for other purposes; to the Committee on Indian Affairs.

By Mr. HARRELD:

A bill (S. 2203) granting an increase of pension to Harriett M. Carter (with accompanying papers); to the Committee on Pensions.

By Mr. HARRIS:

A bill (S. 2204) to provide for the erection of a public building at the city of Jackson, Ga.;

A bill (S. 2205) to provide for the erection of a public building at the city of Thomaston, Ga.;

A bill (S. 2206) to provide for the erection of a public building at the city of Cairo, Ga.;

A bill (S. 2207) to provide for the erection of a public building at the city of Arlington, Ga.;

A bill (S. 2208) to provide for the erection of a public building at the city of Monticello, Ga.;

A bill (S. 2209) to provide for the erection of a public building at the city of Sylvester, Ga.;

A bill (S. 2210) to provide for the erection of a public building at the city of Donalsonville, Ga.;

A bill (S. 2211) to provide for the erection of a public building at the city of Camilla, Ga.;

A bill (S. 2212) to provide for the erection of a public building at the city of Colquitt, Ga.;

A bill (S. 2213) to provide for the erection of a public building at the city of Pelham, Ga.; and

A bill (S. 2214) to provide for the erection of a public building at the city of Edison, Ga.; to the Committee on Public Buildings and Grounds.

By Mr. McKINLEY:

A bill (S. 2215) for the relief of James E. Simpson; to the Committee on Post Offices and Post Roads.

A bill (S. 2216) for the relief of George W. Phillips; and

A bill (S. 2217) for the relief of Le Maire M. Bryant (with accompanying papers); to the Committee on Naval Affairs.

A bill (S. 2218) for the relief of William O. Sarber (with accompanying papers);

A bill (S. 2219) for the relief of Walter D. Mattice; and

A bill (S. 2220) for the relief of Mary B. Jenks; to the Committee on Military Affairs.

(By request.) A bill (S. 2221) for the relief of Hugh R. Wilson, John K. Caldwell, and other diplomatic and consular officers and employees and representatives of the Departments of Commerce and the Treasury, who suffered losses in the Japanese earthquake and fire; to the Committee on Claims.

A bill (S. 2222) granting a pension to O. R. Van Ostrand;

A bill (S. 2223) granting an increase of pension to John A. Martin;

A bill (S. 2224) granting a pension to Jacob Miller;

A bill (S. 2225) granting a pension to Mary B. Jenks (with accompanying papers);

A bill (S. 2226) granting a pension to James E. Hamilton (with an accompanying paper);

A bill (S. 2227) granting an increase of pension to Elizabeth M. Friend (with an accompanying paper);

A bill (S. 2228) granting an increase of pension to John F. Freese (with accompanying papers);

A bill (S. 2229) granting a pension to Louisa J. Robertson (with an accompanying paper);

A bill (S. 2230) granting an increase of pension to Margaret C. Porter (with an accompanying paper);

A bill (S. 2231) granting a pension to Margaret Marsh (with accompanying papers);

A bill (S. 2232) granting a pension to Clarissa Jordan (with accompanying papers); and

A bill (S. 2233) granting an increase of pension to Cephas H. John (with accompanying papers); to the Committee on Pensions.

By Mr. CAMERON:

A bill (S. 2234) for the relief of Robert T. Jones; to the Committee on Claims.

By Mr. McKELLAR:

A bill (S. 2235) prohibiting the Public Utilities Commission of the District of Columbia from fixing rates of fare for the street-railway companies in the District of Columbia at rates in excess of those stipulated in their charters; to the Committee on the District of Columbia.

By Mr. NORRIS:

A joint resolution (S. J. Res. 37) authorizing the Secretary of Agriculture to cooperate with Territories and other possessions of the United States under the provisions of sections 3, 4, and 5 of the act of Congress entitled "An act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote the continuous production of timber on lands chiefly suitable therefor"; to the Committee on Agriculture and Forestry.

HOUSE BILL REFERRED

The bill (H. R. 5959) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

APPOINTMENT TO OFFICE OF MEMBERS OF CONGRESS

Mr. CARAWAY submitted the following resolution (S. Res. 111), which was ordered to lie on the table:

Whereas the efforts to control the sentiment and votes of Members of Congress by the appointment of Members thereof to office are hurtful to the dignity and freedom of the Congress and to the public service, and is contrary to the fundamental theory of our Government, which recognizes three distinct and independent branches of government: Therefore be it

Resolved, That it is the sense of the Senate that it will deny confirmation to any Member of Congress to any office to which said Member may be appointed if it is apparent that said Member has changed his position on any question pending before the body of which he is a Member in order to aid himself in securing any appointment by the President to such office.

COLORADO RIVER COMPACT

Mr. CAMERON. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered in the Arizona State Senate by the Hon. Charles H. Rutherford on the Colorado River compact.

There being no objection the speech was ordered to be printed in the RECORD as follows:

COLORADO RIVER COMPACT

Speech of Hon. Charles H. Rutherford on the Colorado River compact, delivered in the Arizona State Senate Wednesday, February 20, 1923

Mr. Chairman, in arising to discuss the great issue before this body, the senate of the sixth legislature, I realize the greatness of the subject, which is not only paramount in the minds of the members of this senate but also in the minds of the people within our State. I realize the solemnity of the occasion and the great responsibility with which we are charged, a responsibility, to my mind, greater than any that has ever confronted a similar body since the organization of our Territory in 1863. Whether we act wisely or otherwise remains to be seen. Whether our votes shall be commended or condemned is a matter for each and every one of us to decide. I am willing to accept the responsibility for my own action.

We have been handicapped by the absence of facts which might have been supplied by the State water commissioner, and it is to be regretted that any bureau of this great State to which a large amount of funds have been appropriated from our treasury has so sadly neglected and failed to furnish us with the information to which we are justly entitled.

The question has been asked me many times in the past few weeks, Are you for the Santa Fe compact? To which I have given but the one answer, viz, I am not, in the absence of more specific information. And in this connection may I add that upon the 8th day of January, this year, the governor of this State in his message to the legislature used the following language:

"Whether the proposed pact will facilitate the early harnessing of the river is debatable. The pact contains no provisions for construction of any dams. It is essential that in considering the provisions of the pact all factors be taken into consideration, including those omitted from the pact.

"May I not urge that every paragraph of the pact be scrutinized and studied carefully before any conclusions are arrived at as to whether or not Arizona should become a part of this contract?

"This subject is bigger than political parties; it is bigger than statesmen; it is bigger than any man or the ambitions of any man; it is a question of what is the best thing to do for Arizona and the States of the Colorado Basin, for America, and for the peace of the world.

"I am not an alarmist, but I think it well to call your attention to the fact that American land speculators are seeking to reap huge profits from Japanese financiers interested in lands in lower California proposed to be irrigated from the waters of the Colorado River. These matters were reported in recent issues of the Los Angeles, Calif., papers, and should be seriously studied in connection with any proposed development made possible through the control of the flood waters of the Colorado River Basin."

The words of our governor I heartily approve of, and at this time I desire to briefly discuss the Colorado River compact itself and its relation to hydroelectric power and to commerce.

THE COLORADO RIVER COMPACT AND ITS RELATION TO HYDROELECTRIC POWER AND TO COMMERCE

The East has passed beyond the Mississippi and now meets the recoiling West in the Rocky Mountain Range in compact combat.

The battle ground is within this chamber. The object of contention is the Colorado River.

What is the setting of this battle? What are the forces contending and their magnitudes?

We are in the midst of a battle royal between the commercial forces of the East and the public of the West.

We must take a broad view of this battle or we shall fail.

THE ROCKY MOUNTAINS DIVIDE

The Rocky Mountains divide the United States into two parts, the one quite dissimilar from the other. The histories of the peoples of the two parts are quite dissimilar and the natural resources with the characteristics of the country are quite dissimilar.

The latter is in part expressed in the relative distribution of hydroelectric power.

Seventy-two per cent of the total hydroelectric power of the United States is west of the Rockies.

Forty-two per cent of the total hydroelectric power of the United States is found in the three States bordering on the Pacific Ocean—Washington, Oregon, and California.

There is about 30,000,000 horsepower in use within the United States, and about 6,000,000 horsepower of this is hydroelectric power.

There is about 30,000,000 hydroelectric primary horsepower in the United States, and if the secondary power be added the horsepower mounts to 53,000,000. If liberal storage capacity be provided, the total hydroelectric power mounts toward 100,000,000.

HYDROELECTRIC-POWER MONOPOLY

There is an hydroelectric-power monopoly in the United States, clearly disclosed in the Government report Electric Power Development in the United States, published in 1916 in Senate Documents 8, 9, and 10, parts 1, 2, and 3.

There are about 1,500 electric-power corporations, which are interwoven and constitute a web work throughout the country, all directly focusing in 31 banks and trust companies of New York, Boston, and Philadelphia, which latter institutions dominate hydroelectric-power finance.

There is under way a battle between these power institutions of the country and the public concerning power rates. There is inherent in the organism of the power monopoly an unalterable tendency to raise and maintain rates higher than the public can afford to pay.

The revulsion of the public against excessive rates expressed itself in bitter fights here and there and often in the form of attempts, with more or less success, to establish publicly owned and controlled electric-power institutions.

The establishment of such publicly owned institutions is a menace to the power monopoly, in that the lower rates of service associated with public institutions react unfavorably upon the standard rates of the power monopoly.

Therefore, it will be seen that it becomes a matter of business of the power monopoly to gain control of at least the most important hydroelectric resources and thus prevent the establishment of publicly owned and controlled hydroelectric institutions.

These two contending forces have met at the Colorado River.

The compact between the seven States before this body for consideration is an expression of a phase, and only a phase, in the contentions between the two forces described.

The power monopoly has decided advantages rooting within itself, and in this case further advantages on account of the weaknesses of the opposing forces.

A brief explanation of the latter statement may be made.

ARIZONA AT DISADVANTAGE

There lies along the Pacific Ocean three States which have benefited greatly in their development on account of free access to world commerce upon the sea. Wealth and population have risen by leaps and bounds.

There lies between these States and the Rocky Mountain Range, and in the west foothills of the range, a row of States of lesser advantages except for the specific and exceptionally generous natural resources in the form of mineral wealth and to a considerable extent hydroelectric power. Arizona is one of these States.

It is interesting to note that these States have been subjected to two commercial forces—the one force reaching in from the East and carrying away the wealth to the East, and the other reaching in from the West and carrying away wealth to the West. The general result is that this row of States is being depleted rapidly. The increase of population has not been rapid, and when the wealth found in concentrated form has been for the most part taken away the States will be left quite helpless. Look across the Colorado to Nevada as the best example of the latter statement.

Those within this chamber will recall that the name Nevada was a synonym for el dorado and that the fantastic wealth of this State flowed East and West, made millionaires on the west coast and millionaires on the east coast. In the zenith neither the inhabitants of Nevada nor the outside public contemplated for a moment the present Nevada—depleted, exhausted, limp, and quivering. We may well ask, Is it the future picture of Arizona?

The answer is, not if the public of Arizona rouses itself out of lethargy and forces the fight into the territory of the opponent.

What then has the Colorado River compact to do with this?

ANALYSIS OF ARIZONA

The question calls for an analysis of Arizona and her setting in the whole, and this analysis will include the analysis of factors and forces within Arizona and factors and forces without Arizona.

First, let us take a view of Arizona as she is. She has a population of 350,000 and her greatest resource is the intelligence of her people.

As to material resources the report of the Arizona tax commission of 1922 may be taken as an index.

Valuation and percentages of State taxes paid by classes

	Percentage		Valuations	
	1920	1922	1920	1922
Railroad	11.35	13.72	$100,985,637.06	$100,427,627.00
Mining property of all descriptions	52.79	48.97	469,651,131.18	358,522,577.00
Land and improvements	11.60	11.68	103,252,333.64	85,498,475.00
Town and city lots and improvements	10.44	12.12	92,901,192.50	88,693,343.00
Livestock of all kinds	4.70	3.76	41,802,486.25	27,508,739.00
All other property	9.12	9.75	75,856,901.87	71,370,525.00
Total			884,455,682.50	732,021,286.00

Arizona is at present in an agricultural and commercial depression.

The total bonded indebtedness of the State of Arizona at present is $43,000,000, including State, county, and local obligations.

The per capita tax before the war was $17. At present it is $37.

Approximately 12,000 farmers in Maricopa County alone are unable to pay their taxes this year.

In the State there is now due nearly $4,000,000 of taxes not paid.

Arizona and California are the two most important States relative to the development of the Colorado River. We may therefore take a glance at the summary of California.

California has a population of about 3,500,000. It has an estimated total value of $7,000,000,000. California outweighs Arizona in almost all respects. However, Arizona occupies a position of decided advantage, not alone as against California, but also as against each and all of the other Colorado River Basin States, an advantage in the Colorado River development projects. It remains only for Arizona to protect her rights therein. To do this she will have an uphill fight, since her worst enemies are within her own borders. Specifically, as it stands now, those who have benefited the most out of the wonderful Arizona resources are her worst enemies and are the most difficult to fight because of their insidious methods.

THE POWER TRUST

The Power Trust of the United States is a colossal institution representing as it does in total a capitalization of over $4,000,000,000, and if we add to this the almost inseparable gas, electric street railway and transportation lines and other public utilities, we have a combined value of over $15,000,000,000, all essentially financed by the 31 trust companies and banks having a total combined resource of $5,000,000,000, a grand total amount of resources, as will be seen, approximating $20,000,000,000. This combination of wealth looks toward maintenance of domination of all the hydroelectric power resources of the country for all time. Again may we ask, of what interest is this to Arizona?

The 75 Power Trust units in our neighboring State, California, have a total capitalization of $500,000,000, and one of these units, the Southern California Edison Co., has reached into the Colorado River through the application for a license upon the Glen Canyon dam site and power site. There are indications that the Southern California Edison Co. has joined hands with certain mining interests of Arizona in the attempt to acquire control of the Colorado River.

The city of Los Angeles for itself and other California communities has applied for a license to build a dam and power plant at Boulder Canyon. The two applications mentioned represent two powerful forces from California reaching into the Colorado River within the borders of Arizona.

Mining interests of Arizona have taken over the Diamond Creek site through the Girand license. These interests came into Arizona from the East.

There are other applications for power sites on the Colorado River within Arizona coming in from the East or from the West.

DIAMOND CREEK LICENSE CARRIES CONTROL OF 4,000,000 HORSEPOWER

What is Arizona doing in efforts to protect her rights on the Colorado River? She stands by as if bound hand and foot. In fact, she issues a free permit to private interests for the Diamond Creek site, a permit which if matched by a duplicate permit from the Federal Power Commission grants to the licensees, in effect, a perpetual commercial option and control upon all Colorado River power within Arizona—approximately 4,000,000 horsepower ultimate development—and an associated control of the construction of flood control and irrigation dams. The issuance of that permit by the water commissioner was a stab to the heart of struggling Arizona.

To those who see the full significance of it, the unfairness exhibited by the water commissioner to the 350,000 people of Arizona in his act of issuing the Diamond Creek permit a few days before the people's legislative representatives met for the sixth legislative session, and without consulting with them, carries beyond the issuance of the permit, to the act of signing the Colorado River compact. The question arises as to whether all was well in Arizona's part in the Colorado River compact. It all prompts the spirit of inquiry into the signing of the compact by the commissioner from Arizona. The values involved in both transactions are colossal and the circumstances disquieting. What part did the Diamond Creek interests have in the signing of the Colorado River compact and in the issuance of the permits?

Can it be that the water commissioner did not know of the import of issuing the Diamond Creek permit? Can it be that the water commissioner was prompted by the highest motives for the welfare of the State of Arizona? The Diamond Creek card is played for a colossal stake. With this card passes Arizona's chance to survive.

COLOSSAL ULTIMATE VALUE OF COLORADO RIVER POWER

If, as we believe, the country west of the Rockies will take its place ultimately in commercial balance with the country east of the Rockies—having in mind the Oriental trade—we may well contemplate the ultimate profits involved in the ownership and control of the power of the Colorado River within Arizona. For if the present United States average net income available for dividends upon each horsepower per year, of $36, be taken as a factor, the total ultimate income from the power available on the Colorado River within Arizona will reach the stupendous sum of $144,000,000 per annum, which sum, if capitalized on the basis of 6 per cent per annum, will show a total capitalization of $2,400,000,000 carried by the river. And perhaps a greater stake than this is involved in corralling the Colorado River power in private ownership, thereby preventing the breaking down of Power Trust rates throughout the entire United States and the subsequent depreciation of market values of all Power Trust stock outstanding.

Can it be that the profound facts and deductions therefrom herein mentioned and others have no relationship to the Colorado River compact, and the persistent pressure for its ratification by the controlled press upon the Legislature of the State of Arizona?

ARGUMENTS FOR COMPACT ARE ELUSIVE

The compact in its complexity is a baffling instrument.

We have no seven States compact in force now. The draft of compact submitted is a new deal for Arizona. The burden of proof therefore is upon the proponents of the compact. What is their proof sufficient to overcome all objections? With open minds we have listened, anxious to adopt safe progressive measures redounding to the benefit of Arizona.

According to our first impressions, the first and governing argument submitted in favor of the compact is that an acceptance of the compact by Arizona will unlock some unexplained situation which will result in the construction of some flood control and irrigation and power dam on the Colorado River soon. It should be added that no specific dam is mentioned, no assertion is made that there is any definite corollary promise made by anyone in respect to construction of dams.

It is difficult to meet elusive arguments. We can only search for information and facts which prove the falsity of the assertions. Anxious to know what the Government has in mind, Representative O. S. French sent the following telegram:

PHOENIX, ARIZ., *February 8, 1923.*

HON. CARL HAYDEN, M. C.,
Washington, D. C.:

Has Congress recently appropriated $100,000 for investigation Boulder Canyon, Glen Canyon, and other features of the Colorado River? Please answer immediately.

O. S. FRENCH.

The reply:

WASHINGTON, D. C., *February 10, 1923.*

Hon. O. S. FRENCH,

State Legislature, Phoenix, Ariz.:

Interior appropriation act approved January 24 carries $100,000 for continued investigations of feasibility of irrigation, water storage, and related problems on Colorado River. Similar appropriation has been used for investigations at Boulder and Black Canyons, and this money may be used at Glen Canyon. See answer of Director Davis to question 18 in my remarks.

CARL HAYDEN.

Said question 18 and answer read as follows: (We quote from extension of remarks of Hon. CARL HAYDEN in the House of Representatives, Tuesday, January 20, 1923, printed in the CONGRESSIONAL RECORD of January 31, 1923.)

"Question 18. (Propounded by Mr. HAYDEN to Mr. Davis.) The Interior Department appropriation act for the next fiscal year contains an item making $100,000 immediately available for further engineering investigations on the Colorado River by the United States Reclamation Service. Is it your intention to expend any part of this sum in ascertaining the depth to bedrock and in obtaining other information relative to Glen Canyon dam site?

"Answer 18. It has been our intention to undertake the drilling of the Glen Canyon site and push it to a conclusion next winter, beginning as soon as the subsidence of the summer floods will permit. If, however, the work of the Southern California Edison Co., now under way at this site, results in satisfactory development of foundation conditions, it will not be necessary for the Reclamation Service to put in a drill outfit there."

The following is quoted from "(Public Doc. No. 395, 67th Cong.) Secondary requests: For cooperation and miscellaneous investigations, $100,000. For the continued investigations of the feasibility of irrigation, water storage, and related problems on the Colorado River, and investigation of water sources of said river, $100,000."

It is clear the Government is not now ready and will not be ready for at least two years to recommend a dam site for the first development, and to recommend a comprehensive plan for Colorado River development as a whole; much less is the Government ready to finance projects on the river. The Government and the States do not need a compact for some time. The major argument of the proponents of the compact vanishes in the light of facts.

Do private interests seeking Colorado River power need a compact at once? Perhaps so, but let us find out all about them. Let them lay their cards on the table. Arizona has her cards on the table face up. Let some one in authority speak for the private interests. Let us have reliable facts instead of suggestions, innuendoes, mystery. The Colorado is too powerful to be suppressed.

TRUTH MUST BE HAD

Before the first dam is built we shall have the truth. Let us have the truth now. Away with subtle intrigue. Let the State of Arizona exercise the majesty of its sovereignty and demand the truth. Then we shall make progress.

The assertions of the proponents to the effect that if the plain compact be approved by the legislature at this session, then the Colorado will be dammed soon are unwarranted. Such assertions rest on shifting sands.

Where are the men in this chamber who will shirk the responsibility of exercising the power of the State to demand the truth, the power delegated to them by the electorate?

From the facts that come without seeking any observer may make deductions as to the relations of the compact, if ratified, to private interests seeking power on the Colorado River.

DIAMOND CREEK FINANCING

The Diamond Creek permit is the only license issued by the State for the development of power on the Colorado River. It was issued to Girand, but was transferred to a company admittedly financed by Gen. John C. Greenway, Dr. D. L. Ricketts, and other directors of the mining group. About $100,000 has been expended in exploration work at the dam site. Boast is made that funds are available as soon as the Federal Power Commission license is obtained; $40,000,000 is required for the initial investment. The individuals mentioned can not supply the required funds, nor can the mining corporations they represent supply the funds. There is only one possible source out of which these funds can come, namely, out of the Power Trust banks and trust companies.

THE POWER TRUST IS BEHIND THE DIAMOND CREEK PROJECT

It is reported that General Greenway has announced publicly that he is in favor of the adoption of the Colorado River compact, without amendments, by the Legislature of the State of Arizona, and that he fears the reservations adopted will interfere with and delay the Federal Power Commission permit for the construction of the Diamond Creek Dam, in which he is interested.

A telegram from L. D. Ricketts was published in the Phoenix Republican under date February 14, 1923, as follows:

"The following telegram in relation to the compact was received yesterday from Dr. L. D. Ricketts, who is now in the East: 'February 14, 1923. If the legislature places limitations on the Colorado River compact, it virtually disapproves the pact. I believe the plan included in the pact is a constructive plan and marks a distinct advance, and I believe that the measure should be ratified as proposed in the pact and in the same form as it has already been ratified by the other States.'"

Is it likely that these two men advocate the adoption of the compact at their own financial loss? From the facts, we can come to only one conclusion, viz, that the ratification of the compact is for the best interests of privately owned and controlled power at Diamond Creek, and it follows that the compact is designed for the best interests of the Power Trust in their proposed development of Colorado River projects—a conviction entirely inconsistent with the propaganda carried in the principal dailies of the State to the effect that the Power Trust is opposed to the ratification of the Colorado River compact. We must believe that this press propaganda is put out in the hope of "pulling the wool" over the eyes of the public in this perverted manner, using the prevailing prejudice against the Power Trust in molding public opinion into favoring the ratification of the compact. Another press lie is nailed down by facts.

THE PRESS

Having for the moment before us the subject of press propaganda, and still seeking light as to the best arguments of the proponents of the compact, we may be pardoned for utilizing the time necessary to the study of an editorial appearing in the Arizona Republican of February 16, 1923, and no doubt born in the highest intellectual inspiration called forth by the colossal calamity to Arizona, as pictured in the news colmuns of the same date, reporting the action of the House of Representatives of the Legislature of Arizona in adopting the compact with insurmountable amendments. The editorial follows:

"It is sorrowful sometimes to hear grown men—physically grown men—try to indulge in the unwonted exercise of reasoning. We were reminded of that again yesterday in the comparatively few remarks which were made by those who were giving their reasons why they were opposing the striking off of the reservations from the Colorado River pact.

"Parrot-like—whoever taught it to them must some time have something on his conscience—they declared that they were doing what they could to prevent the sacrifice of Arizona's rights and the rights of unborn children by acceding to the bare pact. What in the name of high heaven could they sacrifice? What right have they in the river that would be surrendered or could be surrendered under this or any other pact that might be formed?

"Do they not know that the compact proposed to give them rights—establish their rights immediately without any action ordinarily required to perfect rights to three times as much water as the State can claim? Do they not know that we have no right of way of the water except what we are now using, and that we can have no right to any more except as we can use it? So, what right of ours was threatened by the pact?

"More absurd even than this declaration of a nonexistent right was the attempted dictation to the United States in the matter of negotiations with another nation.

"The whole thing was calculated to make the gods laugh till they wept."

We surmise, under the stress of impending calamity, the great daily focused within this composite editorial, all the mass propact propaganda in one electric bolt designed to leave all antipact arguments scorched and dissipated.

It is not for the intellects of average men and women to fathom the logic of this editorial. Rather it is for common folk to follow blindly. There is not a studious strain recognizable in the superhuman author, for if there were we should understand his thoughts.

We are still searching for common-sense logic from the propact press of this State and from individual proponents of the compact.

FORMATION AND FINANCE OF THE COLORADO RIVER COMMISSION

By the act of the Arizona Legislature, March 5, 1921, the then governor, Campbell, appointed Water Commissioner Norviel as the Arizona commissioner of the Colorado commission. At the same time $25,000 was appropriated by the legislature to meet the expenses of the necessary investigations.

Also six other States about the same time appointed commissioners to the Colorado River Commission, and each State appropriated $25,000 for expenses, making a total from the seven States of $175,000, all available for investigations of all subjects and factors in connection with the proposal to attempt an adjustment of differences which had theretofore arisen between the seven States in respect to the development of the Colorado River.

By act of Congress August 19, 1921, Mr. Hoover was appointed as chairman of the Colorado River Commission and to take his position

as the eighth member. At the same time the Government appropriated $10,000 for his expenses, thus making a grand total of $185,000 available for research and investigation in connection with the proposal.

LACK OF INFORMATION

In view of the availability of this most adequate sum of money for investigations, it is quite remarkable that there is very inadequate evidence at hand in the form of records and reports indicating what work has been done, and it is strange that the commissioner representing Arizona on the Colorado River Commission recommends the passage of the Colorado River compact by the Legislature of Arizona without submitting with his recommendation tangible record reports showing upon what basis he rested his judgment in signing the Colorado River compact. Shall we take his word for all?

There was available sufficient funds between the seven States to have printed a summary of the main facts from each State, facts upon which the members of the commission, we might surmise, based their conclusions in drawing the Colorado River compact. It is reasonable, indeed, upon the part of the State Legislature of Arizona to expect a printed record making clear the main facts herein referred to.

MEETING OF COMMISSIONERS

After all of the commissioners had been appointed, they met in Washington, D. C., in February, 1922, in conference upon Colorado River matters. Full record reports have not been given out in respect to the proceeding of this meeting; however, we can only conjecture that at the Washington meeting the broad plans for the proposed pact were laid out.

In March and April of 1922 a series of public hearings were held in the Southwest. The first meeting being held at Phoenix, Ariz., the next meeting at Los Angeles, Calif., and other meetings in Utah and Colorado.

At the Phoenix meeting, for the first time, the public learned that the commission had decided to confine the proposed compact to the distribution of the waters of the Colorado River between the various States interested and that the question of hydroelectric power was not to be considered in the compact. This decision of the commission was perplexing and created great confusion at the hearings, and members of the commission repeatedly warned the representatives of the public appearing before them that the discussions must be confined to the distribution of water and that power must be left out. But the Power Trust representatives sat by at each meeting.

Inasmuch as water and hydroelectric power associated therewith in this case are inseparable; and inasmuch as the hydroelectric power of the Colorado River is of such great importance in the Southwest in connection with the development of the Colorado River, the commissioners found themselves unable to maintain the line between the two in the discussions. Under these conditions the commissioners finally abandoned the attempt to confine the public speakers to the distribution of the waters of the Colorado River and without discussing power. The deliberations resolved themselves into full discussions of both water and power.

I will make reference to this phase later.

After making the circuit of the Colorado River Basin States, the commissioners ended the conference, and each proceeded to his own State, Mr. Hoover leaving for Washington, D. C.

No further conferences were held by the commissioners until November of the same year, when the commission met at Santa Fe, N. Mex., for the purpose of drafting a Colorado River compact.

The meetings in Washington, D. C., of February, 1922, were held under executive sessions, the public being kept out.

The conferences at Santa Fe in November were held under executive sessions, and the public was not admitted to the deliberations.

The public knew little or nothing about what was going on in the negotiations between the commissioners of the several States and the United States through the representative of the Government, until the Colorado River compact had been devised and signed by the commissioners and Mr. Hoover. Thereupon, the compact was submitted to each State involved for ratification by the legislature, with recommendations for adoption from each and all of the Colorado River commissioners and from Mr. Hoover.

The compact is considerably involved, and it is difficult to understand it. Certain it is that at this time the majority of the 6,000,000 inhabitants of the seven Colorado River Basin States do not understand the terms of the compact. The bold statement may be made that the legislators of the several States do not understand the terms of the compact, for if legislators of other States have such scant information involving the basis of the compact as have the legislators of the State of Arizona, they could not understand the compact. Nevertheless, upon the recommendations of the commissioners and of Mr. Hoover, five of the sister States have ratified the compact. Colorado and Arizona are still considering the measure.

WHY WAS COLORADO RIVER POWER LEFT OUT OF THE COMPACT?

Having before us this outline of the history of the Colorado River compact, an important question arises as to how and why the question of power was eliminated. Who decided to confine the compact to the distribution of water alone?

If we refer to the act passed by the Legislature of the State of Arizona authorizing the negotiations and naming a commissioner and to the act of Congress authorizing the seven States to negotiate a treaty between the seven States and the United Sates, we fail to find limitations and thus instructions in these acts, confining the deliberations to the distribution of water alone.

The compact, it turns out, is only a partial contract between the seven States and leaves out a most important factor—power—which deficiency now causes great confusion. In fact, this is an insurmountable objection to the compact.

Perhaps there was justification for the secrecy maintained in the negotiations of the treaty. However, another broad view would be that, in consideration of the fact that the United States and seven States were involved in preparation of this contract, the most comprehensive yet attempted between a number of the States, we might give expression to the view that more progress would have been made if all meetings had been open to the public, for such open meetings might have tended to eliminate the growing suspicion that there is something mysterious about the elimination from the compact of a most important factor, viz, power.

As we contemplate one feature or another of the Colorado River compact, we begin fully to realize the magnitude of the task involved in writing a fair treaty between seven States and the Government, devising principles which will work out satisfactorily in detail for the man on the ground wheresoever he may be within the seven States and who will become subject to its provisions. Over 100 years the doctrine of prior appropriation has been forming, and it is still in the formative stage. But look, in the short space of seven months consideration and during two or three brief joint meetings, eight men have the audacity to write a new law to fit seven States and to lay it down over the old laws, admittedly in conflict with the old laws.

What a wonderful opportunity is offered to the Power Trust. Its engineering and legal technicians have the choice of the old or the new law, or the use of both, for harassing the public in respect to power service and as to distribution of irrigation water.

It is our belief that before a workable compact can be attained, if, indeed, a compact be deemed necessary, between the seven Colorado River States, we must include the distribution of water, the general and specific plan of developing the Colorado River with an understanding as to which project shall be built first and the sequence of projects thereafter, flood control, and not the least—power. If all of these were included in the treaty we should be able to understand the Colorado River compact.

Even at this late date, it would be interesting and instructive and it would satisfy the mind of the public to have before it the full transcript of the negotiations and acts of the executive sessions held by the Colorado River Commission.

As it stands now, in passing upon the present Colorado River compact, we come to the conclusions—

That the Colorado River compact as submitted to the Legislature of Arizona is only a partial, inadequate compact, and very confusing.

That the act of the Congress of the United States approved August 19, 1922, and authorizing the seven States of the Southwest to form a compact between them, and the act of the Legislature of the State of Arizona were broad and permitted including in the compact the distribution of water, the selection of dam sites, the plan of developing power, the full contractual relationships of California, Arizona, and Nevada, and that all of these should have been included.

That the compact as written will augment rather than minimize controversies and litigation.

That paragraph (b), Article III, expresses a trade as explained by the Arizona commissioner, Arizona having turned into the "Colorado system" the water from all of its drainage systems in lieu of 1,000,000 acre-feet increase per annum, as measured at Lee's Ferry, and allotted to the Lower Basin (not to Arizona), and the question is raised as to whether Arizona will ever secure any of such increase of water allotted to the Lower Basin.

That there is no provision in the compact for precaution in locations of dams in the river to the end that large agricultural acreages in western Arizona may be irrigated in the future.

That Article III creates definite and excessive Mexican land water rights through the approval of seven States and the United States Government, and that such rights will immediately establish satisfactory sales value for certain American-owned Mexican lands, permitting forthwith sales and transfers of such lands to foreign people, all of which will lead into embarrassing controversies between the United States and foreign countries in the future.

That paragraphs (b) and (c), Article IV, have been violated by one who as commissioner signed the Colorado River compact at Santa Fe, and who, as water commissioner of Arizona, signed the permit authorizing the development of the Colorado River power at Diamond Creek, because: The Diamond Creek site has no reservoir capacity for flood

protection nor for regulating the flow of the Colorado River water to meet irrigation needs; the power from the Diamond Creek, first in the field, will supply the power requirements in regions of Arizona and California, thereby removing the basis of financing and making impossible the construction of other dams on the Colorado River or on other Arizona rivers to meet demands of flood control and irrigation by interests other than the owners of the Diamond Creek power, which means the Colorado River will pass into a monopoly.

That who controls a first power plant on Diamond Creek controls 4,000,000 horsepower in Arizona, ultimately having capitalized values reaching into billions of dollars, controls expansion of irrigation within the seven States and Mexico, and must be appealed to for flood control. Those who doubt this should study the history of the Power Trust in California.

That Arizona must first remove the Diamond Creek impediment before this State can ratify the compact in good faith.

That the Colorado River compact in effect clears the way for the Power Trust to gain exclusive possession of the power of the Colorado River without meddlesome interference of States. The Colorado River compact becomes in reality good collateral for the Power Trust in financing Colorado River power projects. That Diamond Creek rights are, or will be, owned by the Power Trust.

That what is recommended in Articles V, VI, and VII can be performed without a compact. In fact, no seven States compact is needed.

That Article VIII is confusing to the extent that no one can understand its provisions

That Article IX spells litigation.

That it is proposed that 6,000,000 people of seven States shall agree upon a treaty between themselves about shifting and exchanging large parts of property values running into the billions of dollars without having the necessary facts before them and without understanding the terms of the compact. Not even the legislators of the several States understand the terms of the compact, because the terms can not be understood. Before any compact can become effective it must be understood by the people.

That the Colorado River compact is conflicting in its terms and confusing and full of dynamite, and that the Legislature of the State of Arizona should not ratify it, thereby avoiding entering upon a destructive policy, and leaving Arizona free to proceed in constructive work.

That the Legislature of the State of Arizona should not ratify in any form the Colorado River compact now before it for consideration.

That public common sense will in due time make selection of the site for a first dam on the Colorado, and that when a specific project is settled upon, if necessary, our sister States will join our State in conference and settle all specific questions involved. It will not be necessary to disturb the old doctrine of prior appropriation.

Mr. Chairman, in conclusion I desire to say that this question is not to be decided lightly. What action we take here will affect countless millions in the years to come. We must protect the heritage of the people not only of this generation but for all time. This is not a question of persons but of principle, and principles are eternal. I would rather go down to eternal oblivion than to vote for this compact believing as I do that the rights of our people are not fully protected by it. I would be false to those who have elected me as their representative were I to throw away lightly their rights by any hasty or ill-considered action, and therefore before voting to jeopardize what I consider rightfully belongs to the people of this State I shall oppose the ratification of the pact until such time as we are assured that it is for their safety and welfare.

COOPERATIVE BUSINESS

Mr. BROOKHART. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the All-American Cooperative Commission.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COOPERATIVE NEWS SERVICE,
Cleveland, Ohio, December 28, 1925.

AUTOMOBILE COOPERATIVES CUT COST OF CARS

French is a foreign language to Americans, but the meaning of "La Cooperative Automobile" is fairly obvious. It is the name of French societies which put the "auto consumer" right next to the manufacturer, without the intermediary of the automobile dealer. Such high profits have been reaped by these dealers that prospective buyers are not purchasing because of the high retail prices charged by the French auto salesmen.

Thoroughly alarmed, the manufacturers have been glad to enter into alliances with the automobile cooperatives in order to stimulate trade. The dealers, on the other hand, are trying to boycott the factories but without much success.

In Paris and other large cities, cooperatives have also been formed to buy accessories and supplies at wholesale prices. Medical men and trucking companies have led in this move.

CO-OP COTTON ON PARADE

Rocky Mount, N. C., knows all about cooperative cotton marketing. A "King Cotton" parade which traversed the main streets of the city, featuring 200 bales of the white fluff, is responsible for Rocky Mount's knowledge.

"We are members of the cotton pool," "Over 300,000 strong," "Organized selling—not dumping," and "On the way to the world's best market" were some of the slogans carried high on banners. King Cotton parades are a common feature in cotton centers, the idea being sponsored by the North Carolina Cotton Growers' Association.

PEOPLE'S BANK HAS $15,000,000 RESOURCES

America's huge labor banking institutions can look with no little respect on another people's banking chain which has rolled up an enviable record of $15,000,000 in resources in the span of a few years. It is the "Ukrainbank," otherwise known as the All-Ukrainian Cooperative Bank with headquarters at Kharkov and branches in every city of Russia's granary, the Ukraine, which lies between Russia proper and former Austria-Hungary. Foreign branches of this powerful cooperative bank have been established in Berlin and London.

More than 2,500 consumers' cooperatives are affiliated to the Ukraine Bank, while 2,500 cooperatives of other types pool their financial resources in the Kharkov institution. The Ukrainbank has close connections with the Narodny Bank, the remarkable cooperative bank in Moscow, the largest bank outside of Government-controlled financial agencies in the Russian Republic.

COOPERATIVE LAUNDRY BIGGEST IN EUROPE

Europe's largest and most modern laundry is, of course, cooperative. It is the Longsight unit of the Manchester District Cooperative Laundries Association, opened recently with speeches from members of Parliament, city councilors, and other notables to add to the impressiveness of the dedication.

American laundry machine makers at Troy, N. Y., contributed largely to the equipment of this fine plant, an automatic marker, electrically driven "hydro-extractors" or driers, mangles, and similar devices insuring utmost economy to Manchester cooperators in their laundry service. The building was constructed by the Cooperative Wholesale Society's building department, and shop fittings came from the Cooperative Wholesale Society's factory at Broughton.

A fleet of trucks and delivery wagons, two other plants, and 500 workers bear witness to the size of the Manchester laundry co-op, while the humane conditions for its force are measured by its wage for women employees, $2 a week above the regular rate.

CO-OP EGGS TRAVEL IN OWN CARS

Refrigerator cars, brilliantly painted with their trade-mark, are now carrying Washington Cooperative Egg and Poultry Association shipments to the east coast. When shipped in ordinary cars, eggs endure sudden changes in temperature while in transit over the mountains and across the Mississippi Valley. The new cars were built in the "vacuum bottle" style to obviate these changes.

Sales of eggs by the Washington State association for the first eight months of 1925 amounted to $3,650,000, a 50 per cent increase over the similar period of 1924. The eight months' business in eggs, poultry, and feeds amounted to nearly $7,000,000.

CO-OP NEWS SERVICE AIDS INTERNATIONALISM

The All American Cooperative Commission publishes its weekly News Service in order to "tell the world about cooperation." That it succeeds literally in its mission is attested by the foreign countries subscribing for the service. They include Poland, Victoria, England, Italy, Holland, Ireland, France, Switzerland, Austria, Russia, India, Germany, Belgium, Canada, and Esthonia.

Although reaching millions in North America weekly with the news about the cooperative movement, the Cooperative News Service is also as widely read abroad, where it is reproduced in leading cooperative magazines of Europe, Asia, and Australia. The international scope of the Cooperative News Service is attested by the fact that many European cooperative papers glean from it interesting bits of news from other European countries, which the enterprising American Cooperative News Service has received from its correspondents in other lands, often translating these news items from a foreign language.

WORKERS' FLEET BUYS WIRELESS TELEPHONES

The workers' cooperative "Armement Ostendais," known as the "Red Fleet" with headquarters at Ghent, has in the four years of its existence grown into the principal fishing concern in Belgium. With the recent purchase of three vessels, its fleet now totals 20 ships. As the result of successful experiments in speaking between ships 150 miles apart by wireless telephone, the entire fleet is to be equipped with this device as a safety measure.

WINTER CUKES ARE PROFITLESS

Cucumbers that grow in glass houses are doubly welcome. That's because they are ready for the market in the middle of winter. Cucumbers that grow in cooperative glass houses are even more wel-

come. That's because the profit has been squeezed out of them before they reach the consumer's table.

They do it in England, where the Enfield Highway Cooperative Society specializes in cucumber and tomato production, producing its crop under glass.

COOPERATORS NOT IMPERIALISTS

When the (English) Cooperative Wholesale Society went into Africa for the raw materials for its soap factories, it voluntarily paid the natives six times what the capitalist interests were paying them for similar labor. Cooperative ideals prevented the robbery of the helpless, says the Cooperative News of New South Wales.

CO-OP SHOES ALL LEATHER

Paper shoes for which leather prices are charged are known in England as well as here. The cooperatives have conducted a vigorous campaign to inform purchasers that shoes with cooperative labels are honest shoes.

TAXATION AND GOVERNMENTAL EXPENDITURES

Mr. JONES of Washington. Mr. President, I have before me an article taken from Nation's Business, written by Representative MADDEN, of Illinois, who is chairman of the Committee on Appropriations of the House of Representatives. I think it would be well if every citizen could read the article, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAXES? IT'S UP TO YOU!

(By MARTIN B. MADDEN, Chairman House Appropriation Committee)

I am taking time to prepare this article for "The Nation's Business" because its readers are American business men. From my experience these men are in need of first-hand facts about what Congress is doing toward economy in government. While the business man is heart and soul for saving and tax reduction, apparently he is at the same time quite ready to urge appropriations for purposes that may have a special appeal to him or to his community.

Some time ago I spoke before the Chamber of Commerce of St. Louis. No audience could have shown itself more heartily in favor of elimination of waste in Government expenditures. Its approval was enthusiastic and unanimous. On my way out of the meeting room about a dozen of those very same men came to me, individually, to urge appropriations for objects which happened to have a particular interest to them, and almost every one of them told me that his appropriation was vital to the welfare of the Government. And I believe every one of them was perfectly sincere about it, whether his interest lay in a development of Three Finger River or in the preservation of the wild rabbit.

HIGHER THAN USUAL

Of course, if Congress should fail to make reductions in expenditures that would be reflected in lower taxes, these same men would feel justified and would be justified in offering criticism.

High taxes result from high cost of government. What is the Nation's pocketbook; how does it supply the funds with which to fill it?

The Nation, so to speak, has no pocketbook. It draws from the pocketbook of the people for what funds it needs to conduct the Government, and the draft on the people's pocketbook is light or heavy, depending upon the economy or extravagance of the Government.

We are living in a period of high taxes. That is because the government costs are higher than usual, but the costs of government in the Nation are not as high as they were. Those in command of the Nation's Government have been devoting themselves energetically to reducing the costs since the close of the war. During the war period, of course, the cost was high, extremely high; indeed, the entire expenditures during the war period were more than twice as much as the cost from the day of the signing of the Declaration of Independence to the day war was declared against Germany.

SURPLUS CREATED

Prior to the war the annual cost of the National Government amounted to about a billion dollars. In 1919, the year after the close of the war, the cost amounted to nineteen billions. That has been reduced until now it amounts annually to but three and a half billion dollars.

Since the war closed the committee over which I preside has refused administrative requests for funds amounting in the aggregate to $4,236,000,000. This has resulted in creating a surplus which has been used to pay off $5,000,000,000 the public debt, which was $25,500,000,000 at the close of the war and is now $20,500,000,000.

During the period in which this reduction of the public debt has taken place the tax on incomes has been reduced to $1,250,000,000; $800,000,000 was taken off in 1921 and $450,000,000 in 1924.

The work of the appropriating authorities in reducing government costs is neither pleasant nor easy; it is onerous, but it has to be done, and we do it as thoroughly as we can; we do not allow anyone to drive us into an appropriation for an extravagant waste if we understand the situation, and we endeavor to understand the situation thoroughly.

For example, when an appropriation is requested, witnesses are called. They are required to testify on every phase of the purpose for which the money is required, and we sometimes find that the branch of the administrative service requesting the appropriation is endeavoring to perform a function that is already being performed by another branch. Again, we sometimes find that the function sought to be performed is unnecessary, and we sometimes find that the proposed cost of performing a necessary function is too high, and we have to reduce it.

We analyze every request made and compel the witnesses to testify in very great detail, and unless the sort of case is made that would be required to be made by a person wishing to borrow money at a bank, the appropriation is denied.

MEAL ESTIMATE OFF $7,000,000

As an instance, we had officials from the Shipping Board lay their budget before us for $125,000,000. When we went over the figures we found an estimate of $1.25 a day for meals for each of the 40,000 men employed on ships, whereas the actual cost for the preceding year was 75 cents a day.

The difference in that one item between what was asked and what was actually needed amounted to more than $7,000,000 a year. What the average business man would do if he had responsible men in his institution submit an estimate of that nature I do not know, but I have an idea. When the appropriations were finally made, instead of receiving $125,000,000 out of the Treasury, the Shipping Board was given $48,500,000.

In the course of our investigation we cut all duplication and triplication in the departments and bureaus. We aim to have only one agency performing the same function. We do not always succeed in eliminating all duplication, because we do not always succeed in finding this duplication, but wherever it is found it is eliminated.

It is not at all unusual with all of the bureaus and divisions and overlapping activities of the various departments of the Government to have a request for an appropriation for certain work come from one department and then in the course of time have a demand for money for almost the identical work come from another. Sometimes the item may be only $10,000 or $12,000. The only way we can guard against this duplication is by constant investigation and study.

We frequently have an agency come for money to enable it to engage in some worth-while investigation, but when requested by the Committee on Appropriations to show why this particular agency should make the investigation it frequently happens that no good reasons can be given.

The Committee on Appropriations is always able to show whether such an investigation has already been made and if so what the result of it has been. In every such case we not only prevent duplication, but prevent actual expenditure by refusing further funds for that purpose.

Unfortunately, the Congress can not rely for information fully upon sources that would seem to be unquestionable. Perhaps it is human nature that a man who is engaged in a certain line of work exaggerates its relative importance and makes his estimates accordingly. After the war we had a large Army and Navy, and when the thoroughly trained officers made up their budgets we found that the combined estimates for the two services, including universal military training, reached $2,800,000,000 a year, or almost three times as much as all of our Government expenses 20 years ago.

These men honestly believed that that amount was necessary for the maintenance of proper defense for the Government, and it was our business to show them how impossible their estimates were. Who was going to pay for this?

Or, to take a later instance, when the Navy officials asked for $11,500,000 for surplus fuel we found that they thought they might possibly require that, but proved to them in fact that they did not. They got along without it.

We have had a large personnel estimate laid before us, carefully prepared, showing that the fleet required a certain number of men; that these were absolutely necessary to the peace-time maintenance and operations. We allowed them every ship they asked under this estimate, and then when we actually checked up the necessary crews for all of those ships we found that there was still a surplus of 29,000 men without any specified duty or any specified place.

It would be reasonable for the Member of Congress to expect definite support from the business men, from all the citizens and taxpayers, in this effort to eliminate waste.

The country is for economy; we all agree. But let the chief of some minor bureau of the Government come before us with assessments. The moment he finds that we are cutting down what he thinks necessary, telegrams go out to organizations, individuals, over the entire country, and the next morning we will have a thousand telegrams urging us to grant this particular appropriation as it is "vital to the welfare of our Government."

We have found many instances where the very men who sent us telegrams urging these expenditures have written us a few days before and a few days after demanding that we cut appropriations and reduce taxes. For a while we called their attention to this, but we have even ceased that. These letters and telegrams, this manufactured influence, to spend, spend, spend, I should say right here are without effect. We feel that the responsibility lies with Congress and we are ready to accept it, and all of that class of matter goes into the waste-basket.

THE PEOPLE MUST COOPERATE

At the close of the fiscal year, June 30, last, the Government had a surplus of $250,000,000, which was applied to the payment of the funded debt. It is expected that at the close of the fiscal year June 30 next, there will be a surplus of between $350,000,000 and $375,000,000, and this surplus will be applied to a reduction in taxes amounting to something like $350,000,000.

It is hoped that the Congress early in the new session will present and pass a revenue act providing for this reduction and thus give the income taxpayers of the country the benefit of the reduced rates on the schedules which they will be called upon to file on the 15th of March.

Nothing but the most diligent and determined effort on the part of those charged with the responsibility of conducting the Government has made the reduction of the public debt and tax rates possible.

While the National Government is reducing its expenses, the city, county, and State governments are increasing theirs, so that the taxpayers are probably not paying less in the aggregate than they were before the Government cut its expenses to the bone. The difficulty lies mainly with the people themselves; they continue to insist on Government activities which ought not to be assumed and they demand appropriations which ought not to be made, unmindful that every appropriation must be followed by a tax.

If the taxes are to be reduced in keeping with the general trend of sentiment there must be cooperation on the part of the people with the Government officials who are anxious for an economical Government. The people themselves can not continue to insist on Government activities unless they are willing to pay the cost.

Cities frequently shift as much of their burdens as they can to the State, and the State finally endeavors to shift its burden to the Nation. Whichever unit of Government conducts the activity demanded by the people, the people themselves pay the cost.

The best government is that which is closest to the people. The people themselves should keep a watchful eye over their Government officials; they should insist on proper economy; they should demand that no Government activity be engaged in which is unnecessary; they should keep constantly in mind the fact that the Government has no machinery of its own with which to make the funds to pay the bills. They should realize these bills can only be paid through tax levies; that the tax levies must be imposed upon the people, and that in the last analysis, whether the National Government or the city or State government imposes the tax, the people pay it. The people must not delude themselves with the thought that the transfer of the activity from one Government agency to another will relieve them of the tax burden; it will not, it can not, for the people make up the Nation, whether within or without State lines, and the Federal Government is but the agency of the people wherever they may live within the confines of the Nation.

You taxpayers may think that when you are passing an activity with its attendant costs from the city to the State and from the State to the Federal Government, you are also passing the taxes to the Federal Government. Think it over and you will find that eventually you yourself pay the cost just the same. The only difference is that you are putting some one in charge of that activity who is located perhaps a thousand miles away from where the work is being done. You would probably have saved money and obtained better results if you had kept the supervision in your own community.

The men who file tax schedules are not the men who pay all the taxes. The man who really files a tax schedule and pays the amount called for on its face into the Treasury adds the amount of the tax to the cost of the article which he sells to the man who has no tax schedule to file, so that in the long run the man who thinks he escapes the tax is the man who pays it.

If this fact could be impressed upon all people, those who pay taxes direct and those who do not, it would be easy to make them understand that when bonds are proposed to be issued by governments for unjustifiable purposes the vote cast for the authority to issue these bonds by the government officials is a vote to impose additional burdens of taxation on those who cast the votes.

If, for example, as the case now is, rents are tremendously high, those who rent must realize that there is a cause for this. What is the cause? Let's stop and think about it for a minute. Is it because the owner of the building is avaricious and demands an excessive rent that is unjustifiable or is it because the investment in the property makes it impossible for him to do otherwise?

Building costs are much higher than they ever were. An analysis of what enters into the cost might not be amiss at this point. Before the war bricklayers, for example, laid something like 2,500 bricks a day in a 12-inch wall and received $4 a day for their work. To-day I understand they lay 650 bricks and receive $12 and $16 a day. A plasterer before the war put on 150 yards of plaster a day and received from $3 to $4 a day, whereas now he puts on 30 yards and receives $25.

The cost of everything else entering into building construction is in proportion to this, and hence it is readily seen that the building costs four times as much as it formerly did. Therefore the rents are correspondingly high, so that the fact is that the man who pays the rent pays the tax, for in addition to the building cost the tax is added to the rent. So the citizen who is not called upon to file a schedule indicating his income must realize that the burden of taxation falls upon him.

If he could get that clearly in his mind and act accordingly, the costs of rents and of commodities which he is called upon to pay for out of his meager income would be reduced to the extent that the cost of building construction and taxation is excessive.

But it is not confined to building construction and taxes; it applies everywhere, and while we frequently hear it said that John Jones pays the volume of taxes, John Jones transfers what he pays to the man down the line who is presumed to pay no taxes. The remedy for this, as I have said, lies with the man down the line. He is the most numerous of our citizens. He can, by his vote, prevent wasteful expenditures in government and to the extent that he prevents this wasteful expenditure he reduces the high costs.

How often we hear the call for business methods in government. To-day we have a Congress that is in fact a body working on a business basis.

PORK BARREL HAS DISAPPEARED

The Member of 40 years ago would not know his way about a Congress of to-day. Once it was a debating society; now a business organization. "In the good old days" the pork barrel was the main point of interest; to-day it is almost nonexistant. There are just as good orators in Congress to-day as there ever were, but there is no time for oratory.

Congress as it stands to-day is the only representative of the one great unorganized class—the taxpayer, and his is the only side we can see.

We are surrounded by an almost endless number of highly organized groups, each enthusiastic about its own activity and each using every possible effort and influence to have the Government support its purposes with liberal appropriations. They can use every dollar allotted and always are firmly convinced they need more. Their friends are in every corner. It is this great massed influence that we as representatives of the unorganized taxpayers have to resist, and it takes 12 months a year to do it.

Here again I want to call attention to the fact that the people themselves have the remedy. They can demand of their officials that economy be exercised and that demand, once observed, will bring about the desired result.

Before the war the country owed a billion dollars and the annual interest charge amounted to $22,000,000. At the close of the war, as I have previously stated, the aggregate of the national debt was $25,500,000,000 and the interest paid annually $1,024,000,000. The reduction of the debt by $5,000,000,000 has reduced the interest by $144,000,000 a year.

High rates of taxation on incomes have forced many people who have had to pay large taxes to invest their savings in tax-free securities. For example, incomes of a certain class paid 73 per cent in taxes. That has been reduced to 42 per cent. I have always maintained that in times of peace people will not work to earn an income upon which they are required to pay 73 per cent nor even 42 per cent to the Government.

A maximum 15 per cent surtax rate on incomes would, I believe, yield to the Treasury as much if not more than the 42 per cent rate, and I favor the limitation of a 15 per cent maximum surtax on incomes. I think, too, that a 5 per cent maximum normal tax should be the limit, and on incomes from $1,000 to $5,000 I think the tax rate should not exceed 1 per cent.

Estate taxes should be abolished. The collection of this tax tends to bankrupt the estate, and I prefer a live, taxpaying estate to a bankrupt, mortgaged institution which takes it out of the taxpaying class. Tax publicity should be abolished. It serves no good purpose.

If there is anything which seems absurd in our tax system, it is the requirement for the payment of a tax on gifts. If a man wants to give something away, why should he have to pay a tax for the privilege of doing it?

We have many nuisance taxes that are annoying and useless and expensive of collection. They should be abolished. Taxes on automobile sales, I think, may be classed as one of these. The automobile is taxed for almost everything now. In most States there is a gasoline tax, and they all have a license tax. Every time the wheels of an automobile turn around there is a new tax applied.

GAS TAX THE MOST EQUITABLE

The most equitable tax, I think, to be applied in connection with the operation of automobiles is the gasoline tax by the States. That

tax is easy to collect. It can be used for the construction and maintenance of roads, and the automobile owner who pays it pays for just the amount of use he makes of the road. What is there that could be more just than that?

First and last let it be remembered that the American people have always been in the habit of demanding the things they want when they want them, and then when the time comes to pay the tax on the things they demanded and received, they complain of the high cost of government.

To obviate that, I recommend the cooperation of the people, either through organizations or otherwise, with those of their officials who are inclined to give an economical administration of public affairs. They can cooperate either as individuals or as organizations, and in the creation of decent public sentiment in favor of economy in government they can present their views to those who are responsible for the conduct of the Government.

Their views will be welcomed. They are invited to present them, as far as this section of the Government goes, and to the extent that it is possible to act upon them they will receive consideration.

This kind of cooperation throughout the country among the people with the officials will bring about economy in Government, reduction in taxes, more contentment, more employment, more development of industry, and more happiness in the homes.

ALUMINUM CO. OF AMERICA

Mr. WALSH. Mr. President, I desire to present to the Senate this morning two resolutions touching a matter so urgent in character as to admit of no delay, and I shall accordingly ask for their immediate consideration by the Senate.

Mr. CURTIS. As the Senator is going to ask unanimous consent for the present consideration of the resolutions, I suggest that he first have them read.

Mr. WALSH. I ask leave to explain the nature of the resolutions first.

Mr. CURTIS. Very well.

Mr. WALSH. In the year 1912 a decree was entered by consent in the United States Court for the Western District of Pennsylvania against the Aluminum Co. of America, the effect of which was to restrain it from certain practices of commerce alleged to be monopolistic in character or at least tending to the creation of a monopoly. In the year 1922 Senate Resolution 127 was adopted directing the Federal Trade Commission to inquire into the condition of industries producing household utensils. They made special inquiry into the matter of the production of utensils of aluminum, as the result of which they reached the conclusion that the Aluminum Co. of America had been guilty of practices violative of the decree of the court in 1912 in continuing the practices which were enjoined by that decree. They reported their findings to the Attorney General of the United States in the month of October, 1924, it being the duty of the Attorney General under those circumstances to inquire whether proceedings in contempt under the criminal statute should be instituted.

The Attorney General reported to the chairman of the Federal Trade Commission on the 30th day of January, 1925, that upon a study of the report, with the documents transmitted therewith, he found that the charges so made by the Federal Trade Commission were well sustained and that the Aluminum Co. of America was in contempt in consequence of a violation of the decree; but he stated in his letter to the commission that its inquiry had been carried on only down to the year 1922 and he found it necessary to continue the investigation to ascertain whether the practices thus denounced, violative of the decree of 1912, had been continued after the year 1922, the occasion being that there is a one-year statute of limitations against proceedings for contempt for the violation of a decree of this character and it became necessary to ascertain whether the practices were continued down to a period within one year prior to the institution of the proceedings.

Attorney General Stone went out of office and became Associate Justice of the Supreme Court of the United States and the investigation has presumably been continued by his successor, the present Attorney General. On last Saturday, the 2d day of January, 1926, the Assistant Attorney General, William J. Donovan, gave to the press a statement to the effect that the investigation was still being continued, that it was in progress, and that a report might be expected within a period of three weeks from that date, which would carry it down to about the 23d of the present month. Now if the Aluminum Co. of America, warned by the report of the Federal Trade Commission that proceedings for contempt might be instituted against it if it continued those practices, discontinued those practices in October, 1024, the statute of limitations has already run against proceedings for contempt and none can be instituted. If, however, it treated the report of the commission with the same contempt with which it treated the decree of the United States Court for the Western District of Pennsylvania and continued those practices down to the time when the Attorney General reported that he found it was so guilty of those practices, namely, the 30th day of January, 1925, and proceedings for contempt are not instituted before the 30th day of January, 1926, the statute of limitations will have run.

Accordingly, Mr. President, I shall submit two resolutions, the first providing that the Committee on the Judiciary be directed forthwith to institute an inquiry as to whether the investigation directed by Attorney General Stone has been prosecuted with due diligence. Of course, if it takes a year or more than a year to ascertain whether any of the great corporations, against which decrees have been rendered enjoining them from certain practices, have actually been guilty or not, we shall have to extend the statute of limitations or else wipe it off the Statute Book.

The other resolution deals with another feature of the situation. The commission reported on the 10th day of October, 1924, to the Attorney General sending him an advance copy, a typed copy, of their report which would presently be printed, to the effect that this violation of the decree had taken place. A few days afterwards the commission passed a resolution directing that a copy of their report be sent to the Attorney General together with all evidence gathered by the commission.

The commission, as it is well understood, is equipped with a most extraordinarily efficient body of investigators and economists who are able to appreciate the effect upon commerce of particular evidence. A large portion of this evidence they got from the Aluminum Co. of America itself and from its correspondence with various parties. They directed that all of this be transmitted to the Attorney General in accordance with a practice that had been observed, I take it, from the beginning of the work of the commission. But they found that the evidence was so voluminous that they subsequently sent word to the Attorney General that the time necessary and the expense attendant upon the matter was so great that they would put the matter at his disposal and he could send a representative to the commission to take copies of all of the evidence. Accordingly the Attorney General sent word that a representative of the Department of Justice would go to the commission and make copies of all of the evidence.

The next day the commission by a vote of 3 to 2 adopted a resolution to the effect that they would not permit the Attorney General to make an inspection or to have access to any part of this evidence which came from the Aluminum Co. of America. So the investigation is being conducted by the Department of Justice without the aid of the all-important evidence in the possession of the Federal Trade Commission which they secured from the files of the Aluminum Co. of America.

Mr. OVERMAN. Did they give any reason for declining to allow the Attorney General to have copies of the evidence?

Mr. WALSH. The resolution of the commission is set out in the resolution which I shall offer. I send the resolutions to the desk and ask that the clerk read the one first referred to.

The VICE PRESIDENT. The clerk will read as requested.

The Chief Clerk read the resolution (S. Res. 109), as follows:

Whereas under and pursuant to Senate Resolution 127, Sixty-seventh Congress, second session, the Federal Trade Commission conducted an investigation of the aluminum cooking-utensil industry, as a result of which it found, and on October 8, 1924, reported to the Attorney General, that the Aluminum Co. of America had been pursuing practices in commerce violative of the decree of the District Court of the United States for the Western District of Pennsylvania, rendered in the year 1912, and was consequently in contempt of that court; and

Whereas on the 30th day of January, 1925, the then Attorney General, Hon. Harlan F. Stone, addressed a letter to the chairman of the Federal Trade Commission in which he stated: "It is apparent, therefore, that during the time covered by your report the Aluminum Co. of America violated several provisions of the decree; that with respect to some of the practices complained of—they were so frequent and long continued—a fair inference is the company either was indifferent to the provisions of the decree or knowingly intended that its provisions should be disregarded, with a view to suppressing competition in the aluminum industry"; and in the said letter stated that inasmuch as the investigation conducted by the Federal Trade Commission was carried down only to the year 1922 it became necessary to prosecute a further inquiry to ascertain whether the practice as announced had been continued since that year, which investigation he asserted the department would have made, the necessity for it arising from the fact that under the law no proceeding for contempt can be maintained unless begun within one year from the date of the act complained of; and

Whereas on the 2d day of January, 1926, a statement was given to the public press by Assistant Attorney General William J. Donovan to the effect that such examination is still in progress and that its completion might be expected within three weeks; and

Whereas if the unlawful practices charged by the Federal Trade Commission to have been pursued were discontinued upon the making of their report to the Attorney General the statute of limitations will already have run against any proceedings for contempt based upon such practices, and if they were continued thereafter and discontinued only upon the promulgation of the letter of the Attorney General on the 30th day of January, 1925, the statute will have run on the 30th day of the current month: Be it

Resolved, That the Committee on the Judiciary of the Senate be, and it hereby is, directed forthwith to institute an inquiry as to whether due expedition has been observed by the Department of Justice in the prosecution of the inquiry so initiated on the direction of former Attorney General Stone, or which he reported would be initiated.

Mr. WALSH. Mr. President, for the information of the Senate I ask that the Secretary read the second resolution which I have offered.

The VICE PRESIDENT. The Secretary will read as requested.

The resolution (S. Res. 110) was read, as follows:

Whereas under and pursuant to Senate Resolution 127, Sixty-seventh Congress, second session, the Federal Trade Commission conducted an investigation of the aluminum cooking utensil industry, as a result of which it found, and on October 8, 1924, reported to the Attorney General that the Aluminum Co. of America had been pursuing practices in commerce violative of the decree of the District Court of the United States for the Western District of Pennsylvania, rendered in the year 1912, and was consequently in contempt of that court; and

Whereas on the 30th day of January, 1925, the then Attorney General, Hon. Harlan F. Stone, addressed a letter to the chairman of the Federal Trade Commission in which he states, "It is apparent, therefore, that during the time covered by your report the Aluminum Co. of America violated several provisions of the decree; that with respect to some of the practices complained of—they were so frequent and long continued—a fair inference is the company either was indifferent to the provisions of the decree or knowingly intended that its provisions should be disregarded, with a view to suppressing competition in the aluminum industry," and in the said letter stated that inasmuch as the investigation conducted by the Federal Trade Commission was carried down only to the year 1922, it became necessary to prosecute a further inquiry to ascertain whether the practice as announced had been continued since that year, which investigation he asserted the department would have made, the necessity for it arising from the fact that under the law no proceeding for contempt can be maintained unless begun within one year from the date of the act complained of; and

Whereas on October 17, 1924, the Federal Trade Commission adopted a resolution as follows, to wit, "That the report (being an advance typed copy of the report above referred to) and all evidence in support thereof be transmitted to the Attorney General forthwith"; and

Whereas the transcribing of the evidence for the use of the Attorney General involved so much time and expense that on October 20, 1924, the chairman of the commission addressed a letter to the Attorney General in which he said that the better course would be to grant him "immediate access to the files at the office of the commission. * * * Accordingly the commission extends to you and your representatives an invitation to examine the evidence in support of this report in the files of the commission, with the understanding that such portions as are desired by the Department of Justice will be photostated and copies furnished. The commission will be glad to place at your disposal an office adjacent to the files, and will also furnish the assistance of an employee familiar with the contents of the files to aid your representative in the examination.

"By direction of the commission";

And

Whereas on February 10, 1925, the Federal Trade Commission by resolution extended a further invitation to the Attorney General to examine all evidence in its possession, upon which said report was based, which brought from the Department of Justice the information that a special agent of that department be granted the privilege of inspecting and making copies of the evidence in the possession of the commission in support of its report; and

Whereas on the 11th day of February, 1925, the commission adopted a resolution in terms as follows:

"That in accordance with a previous ruling by the commission upon a similar state of facts, that the information requested be furnished by the commission subject to the qualification that material obtained from the Aluminum Co. of America itself shall not be made available, but shall be kept confidential"; and

Whereas the investigation so directed by former Attorney General Stone is being prosecuted by the Department of Justice without the aid of documentary and other evidence in the possession of the Federal Trade Commission, obtained from the Aluminum Co. of America and otherwise, upon which its said report was founded:

Resolved, That the Attorney General be, and he hereby is, directed to advise the Senate whether, in his opinion, the objection of the Federal Trade Commission to his having access to the evidence in its possession upon which its report was founded is well sustained in law, and if in his opinion it is not, what steps he has taken or contemplates taking to require said commission to permit him to have access to and to take copies of the same.

Mr. WALSH. I now ask unanimous consent for the immediate consideration of the resolution which I first submitted.

Mr. BORAH. Mr. President, I desire to ask the Senator from Montana a question before we proceed with the consideration of the resolution. As I understand, under one condition of facts which the Senator has stated the statute of limitations has already run with reference to contempt proceedings in this case?

Mr. WALSH. Yes.

Mr. BORAH. And also that with reference to another state of facts it is supposed that the statute will expire about the 27th of this month?

Mr. WALSH. It will expire on the 30th of this month.

Mr. BORAH. I have only this suggestion to make: If the inquiry should be completed we would likely not be able between now and the 30th to enact the amendment extending the time, would we?

Mr. WALSH. I realize that the time is exceedingly brief.

Mr. REED of Pennsylvania. Mr. President, will the Senator from Montana yield for another question?

Mr. WALSH. Yes.

Mr. REED of Pennsylvania. Has the Senator any reason to think or any evidence to show that acts did occur up to the 30th of January of last year and terminated then? In other words, has the Senator reason to think that the statute will run on the 30th of this month, or is that purely hypothetical?

Mr. WALSH. I have no information whatever as to whether the Aluminum Co. did continue its violations and is still every day in violation of the decree or whether it, warned, as it naturally would be, stopped; but if it did stop—and one would naturally think that it would—the statute of limitations is running.

Mr. REED of Pennsylvania. But the use of the date January 30, 1925, is entirely hypothetical?

Mr. WALSH. Not at all.

Mr. REED of Pennsylvania. And is based on that supposition?

Mr. WALSH. Not at all. The Attorney General of the United States recites that they have been violating the terms of the decree. Of course, that means if they continue to do that they are going to be cited for contempt. They might prior to that time have taken a chance, but I would naturally think they would be so apprehensive about what a court would do under those circumstances that they would discontinue their violations.

Mr. REED of Pennsylvania. I myself know nothing about it; but it seems their apprehension would have arisen when the Federal Trade Commission reported in October, 1924.

Mr. WALSH. That may be right.

Mr. REED of Pennsylvania. I agree with the Senator that the statute of limitations is altogether too brief in time.

Mr. WALSH. Bear in mind, I do not so assert, and I am not prepared to assert, that I would agree to extend the period of the statute unless upon the investigation which I ask it is disclosed that by the exercise of reasonable diligence the facts can not be assembled in a year. My own judgment about the matter is that three months ought to be ample.

Mr. REED of Pennsylvania. It occurs to me that the adoption of the resolution by the Senate without any effort to secure an explanation from the Attorney General by correspondence or inquiry involves a sort of reflection upon the Attorney General which the facts scarcely justify.

Mr. WALSH. I would hardly say that.

Mr. REED of Pennsylvania. For that reason I think, Mr. President, I will ask that the resolution go over under the rule until to-morrow.

The VICE PRESIDENT. At the request of the Senator from Pennsylvania, the resolution will go over under the rule.

Mr. WALSH. Then I ask unanimous consent for the present consideration of the second resolution.

The VICE PRESIDENT. Is there objection?

Mr. REED of Pennsylvania. I make the same request in that case.

The VICE PRESIDENT. The resolution will go over under the rule.

THE TARIFF COMMISSION

Mr. WADSWORTH. Mr. President, has morning business closed?

The VICE PRESIDENT. Morning business has not closed. Concurrent and other resolutions are in order. If there be none, the Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Chief Clerk read the resolution (S. Res. 103) submitted by Mr. SMOOT January 4, 1926, as follows:

Resolved, That the Committee on Finance of the United States Senate is hereby directed to conduct an investigation of the operation of section 315 of the tariff act of 1922 and of the functions and activities of the United States Tariff Commission, and report to the Senate the results of its investigations, with recommendations, before the close of the present session.

The investigation shall relate, among other subjects, to—

First. The powers conferred upon the Tariff Commission by section 315.

Second. The rules and regulations adopted by the Tariff Commission for the application of the statute.

Third. The procedure of the commission in the conduct of its investigations and of its public hearings.

Fourth. The number and nature of the applications received by the commission for action under section 315.

Fifth. The number of investigations instituted.

Sixth. The number of investigations completed.

Seventh. The methods employed to ascertain domestic and foreign costs of production.

Eighth. The methods by which the principal competing country is determined.

Ninth. The methods by which the difference in costs of production in the United States and in the principal competing country are ascertained.

Tenth. The part taken by economists and experts of the staff in investigations conducted pursuant to the provisions of section 315.

Eleventh. What use has been made of invoice prices as evidence of cost of production and in what manner such use of invoice prices could be extended.

Twelfth. The difficulties, if any, encountered in the application of the provisions of section 315, and amendments to or changes in section 315 that appear necessary or desirable.

The committee is authorized to summon witnesses, administer oaths, take testimony, and to require the production of papers, books, and records of the Tariff Commission, so far as authorized by law.

Mr. SMOOT. Mr. President, as Senate Resolution No. 102, which was submitted yesterday by my colleague [Mr. KING], necessarily will have to be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, I do not want to take any advantage of that fact, even if I had the right to do so, I, therefore, suggest that the resolution of my colleague, together with the resolution which has just been read, may be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. BORAH. Mr. President, in reading the resolution I did not observe whether there was any inquiry proposed as to the constitutionality of section 315.

Mr. SMOOT. No; there is nothing in the resolution specifically that provides for an inquiry into that question. The broad inference is that that question could be considered as well as others; but there were certain questions which I wanted to have especially considered, and, therefore, I mentioned them in the resolution.

Mr. BORAH. May I ask, has the Senator or any member of the Finance Committee introduced a bill to repeal section 315?

Mr. SMOOT. It has not come to my attention that any Senator has introduced such a bill.

Mr. LENROOT. It would not be in order in the Senate, anyway.

Mr. SMOOT. No; I may state to the Senator that it would not be in order in the Senate, anyway.

Mr. BORAH. What would not be in order?

Mr. SMOOT. Under the Constitution, the House of Representatives must originate the legislation.

Mr. BORAH. So far as this particular measure and this particular provision are concerned, I do not agree with the Senator.

Mr. SMOOT. It either raises revenue or decreases it, as the case may be.

Mr. NORRIS. Mr. President, I should like to make an inquiry of the Senator from Utah. Has he an understanding with his colleague, who appears not to be in the Chamber at the present time?

Mr. SMOOT. No; he is not here.

Mr. NORRIS. I would suggest that the Senator let the matter go over until his colleague can be here.

Mr. SMOOT. I thought the position I had taken was such that no one could object to it.

Mr. NORRIS. I do not think anybody can. I think the resolutions would have to go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. SMOOT. There is no Senator but that knows that my colleague's resolution has to go there. I do not want to take any advantage at all of that fact, and I am perfectly willing that mine shall go there, too.

Mr. NORRIS. Yes; I think they will both have to go there eventually.

Mr. SMOOT. Then why not now?

Mr. NORRIS. I do not know why not now; but the Senator's colleague is not here. He is absent from the Chamber.

Mr. WALSH. Mr. President, I think I shall join in the request of the Senator from Nebraska that the matter may stand over until the junior Senator from Utah [Mr. KING] is in the Chamber.

Mr. SMOOT. I have no objection to its going over, Mr. President, but it seems to me that it is just haggling. I have no objection to letting it go over.

Mr. JONES of Washington. Mr. President——

The VICE PRESIDENT. The Senator from Washington.

Mr. JONES of Washington. I desire to make a suggestion to the Senator from Utah.

Mr. SMOOT. If the Senator from Nebraska wants to talk on the subject, he can go on now.

Mr. NORRIS. I am not particular about that. It seems to me ordinary fairness, however. I have not talked with the Senator's colleague about the action that he proposes to take here; but everybody knows that on yesterday the junior Senator from Utah [Mr. KING] introduced a resolution on this subject, prior to the introduction of the one introduced by the senior Senator from Utah.

Mr. SMOOT. I have referred to it.

Mr. NORRIS. It seems to me that ordinary fairness and ordinary courtesy, unless there is some reason to the contrary, would require the senior Senator from Utah to wait at least until his colleague can have an opportunity to be heard. I do not know that the Senator's colleague has any objection. I have not any, and so far as the discussion of the matter is concerned I am ready to discuss it right now; and if the Senator wants to have a debate on it, I will proceed immediately if I can have an understanding that I can have the necessary time and will not interfere with what I supposed was really a special order for to-day.

I do not care for any delay. I do not care whether the resolution goes to the committee or not. I am not haggling; and the Senator will find out, before we get through with this resolution, that some other things will be brought to light that are not haggling, but that will shock the conscience of the American people. I would just as soon proceed now as at any other time, if that is what the Senator wants.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. The Senator from Washington has the floor.

Mr. JONES of Washington. I yield to the Senator from Utah.

Mr. SMOOT. I simply said that I wanted to be fair, and I think I was perfectly fair. I think I was perfectly reasonable in requesting what I did. There is no Senator here but that knows that the resolution of my colleague has to go to the Committee to Audit and Control the Contingent Expenses of the Senate. There is a question as to whether the resolution offered by me would have to go there, because the investigation has already been authorized by the committee. Therefore I did not want to take any advantage, nor would I take any advantage, and if the junior Senator from Utah had been in the Chamber I would have asked him this very thing; but he was not here, and there could not be any advantage taken of him in any way, shape, or form, notwithstanding what the Senator from Nebraska [Mr. NORRIS] has already stated.

Mr. KING entered the Chamber.

Mr. JONES of Washington. Mr. President, I desire to make a suggestion to the Senator. As I understand, the Committee to Audit and Control the Contingent Expenses of the Senate does not really go into the merits of a resolution that is referred to it. It does not make any special investigation or study as to whether or not the investigation called for should be made; and I think that policy of the committee has followed practically a direction of the Senate. It is not really the policy that the committee itself adopted, but I think that

was the direction of the Senate a short time ago—two or three years ago.

It seems to me that the wise and proper course with reference to resolutions of this kind would be first to refer them to the committee having jurisdiction over the subject matter of the resolution, so that that committee may investigate the matter sufficiently to determine whether or not such an investigation should be made; and then, if it reports favorably, the resolution could be referred to the Committee to Audit and Control the Contingent Expenses of the Senate to determine the financial aspect of the matter.

It seems to me that this resolution, as well as the other resolution, could properly and ought to be referred to the Committee on Finance to report whether or not, in the judgment of that committee, the facts disclosed to the committee justify beginning such an investigation; and I desire to make that suggestion to the Senator from Utah, who is chairman of the Finance Committee. As I understand his resolution, it deals with matters that would properly come within the jurisdiction of the Finance Committee. It, however, is his individual resolution.

Mr. SMOOT. Yes.

Mr. JONES of Washington. And I think the policy of the Senate should be to refer these resolutions in the first instance to the committees having jurisdiction of the subject matters dealt with by the resolutions. I merely make that as a suggestion, because I think the Senate ought to consider that phase of these resolutions very seriously.

Mr. SMOOT. Mr. President, I will say to the Senator that that has not been the practice of the Senate——

Mr. JONES of Washington. I know it has not.

Mr. SMOOT. And I was only following out the practice of the Senate.

I want to say to my colleague [Mr. KING] that when the resolution came up, coming over from yesterday, I made the statement that I thought it was fair to my colleague that both of the resolutions should go to the Committee to Audit and Control the Contingent Expenses of the Senate; and for that reason, notwithstanding that there is a question as to whether the Finance Committee could not proceed with the investigation called for by my resolution under the resolution already passed, I thought it ought to be treated in the same way and should go to that committee, and the committee should be allowed to decide the question. Then a question was raised as to whether or not that would be satisfactory to my colleague. I will assure him, as I have assured the Senate, that I had no intention whatever of taking any advantage of him in the matter.

Mr. JONES of New Mexico. Mr. President, I should like to inquire of the senior Senator from Utah what he would expect the Committee to Audit and Control the Contingent Expenses of the Senate to do with these two resolutions.

Mr. SMOOT. I do not know what the committee will do. I have not seen a member of the committee. I have not ever questioned any member of it.

Mr. JONES of New Mexico. But would the Committee to Audit and Control the Contingent Expenses of the Senate decide that one resolution should be reported and that the other one should not be reported, or what is there for consideration by that committee?

Mr. SMOOT. The situation is just the same as in the case of every other resolution that goes to the committee.

Mr. JONES of New Mexico. I understand that it is just the same, but nobody knows what "the same" is.

Mr. SMOOT. Nobody can tell until the committee decides. I do not know myself. I have never asked a member of the committee how he stood on the matter, and I do not propose to do so.

Mr. JONES of New Mexico. Mr. President, this is a question in which I have been somewhat interested ever since I have been a Member of the Senate. I was on the Committee to Audit and Control the Contingent Expenses of the Senate for a number of years, and finally withdrew from it because I never could find out what jurisdiction the committee had. It seems to me that if there is going to be any consideration as to which one of these resolutions should be adopted, they should go first to the Committee on Finance to enable it to consider that question.

The Committee to Audit and Control the Contingent Expenses of the Senate, so far as I have been able to ascertain, simply passes upon the question as to whether or not the contingent fund of the Senate will bear the expense. That is all that the Committee to Audit and Control the Contingent Expenses of the Senate can do or has done in the past. I have insisted all along that that committee or some other committee ought to have jurisdiction to pass upon the merits of these resolutions calling for inquiries and investigations, to go into the merits of the question and determine whether or not there is enough in it to justify the expenditure of the money. So far, however, the committee has never attempted to do that except in two or three instances when I was a member of it, and each time the committee was turned down by a vote of the Senate.

So the Committee to Audit and Control the Contingent Expenses of the Senate really performs no function whatever except the mere perfunctory act of reporting the resolution back to the Senate. It exercises no judgment or discretion in passing upon these resolutions that are referred to it, and here we have a case, evidently, where somebody is going to consider the question as to which resolution shall be favorably reported and whether or not the resolution should be amended, whichever is taken as the basis for action by the Senate; and therefore it seems to me that in this case, at least, the resolutions ought first to go to the Finance Committee.

Mr. SMOOT. I will say to the Senator from New Mexico that I have no objection whatever to that course. I was simply following the regular course, and I want to say to my colleague that if he wants the resolutions to go over to-day, well and good; but as he said yesterday that if one went to the committee the other should, I was only following out the statement that he made yesterday, and was absolutely fair to him and fair to the Senate.

Mr. HARRISON. Mr. President, may I ask the Senator a question?

Mr. SMOOT. Yes.

Mr. HARRISON. If these two resolutions should be referred to the Finance Committee—of which the Senator from Utah is chairman, and a very dominant and persuasive member—and that committee should report out favorably his resolution, and should report unfavorably the King resolution, would the Senator then be willing to have both of the resolutions referred to the Committee to Audit and Control the Contingent Expenses of the Senate?

Mr. SMOOT. Why, certainly, Mr. President, and not only that——

Mr. HARRISON. I understood the Senator to say "certainly"; that he would?

Mr. SMOOT. Yes; and not only that, but it seems to me to be perfectly foolish to discuss the question at any length, because if one of the resolutions shall be reported to the Senate, it will be open to amendment, and the Senate can substitute any other wording that they desire, and it will not make a particle of difference whether it goes to the Finance Committee or the Committee to Audit and Control the Contingent Expenses of the Senate. No matter which resolution is reported to the Senate, when it is up for consideration they can strike out all after the resolving clause and insert a completely new resolution.

Mr. HARRISON. May I suggest to the Senator, if the Chair will permit me, that, of course, we are all anxious to push certain legislation at this session. Most of us are for the World Court, and all of us are in favor of tax reduction. The junior Senator from Utah [Mr. KING] offered a resolution which provided for a very thorough investigation of the Tariff Commission. What was the cause of the Senator's opposition to that resolution, and what were his reasons for offering a substitute resolution to investigate the same subject?

Mr. SMOOT. Mr. President, I did not offer a substitute resolution. I had my resolution prepared immediately after the adjournment of Congress for the Christmas holidays. I held it in my office and presented it here at the first opportunity that I had to present it. It is not a substitute. It is a resolution for an investigation, just as broad as it can be; but certain things have been charged against the Tariff Commission that my resolution specifically provides shall be investigated and reported on. The Tariff Commission is not alarmed over an investigation of any of its acts; and, as I say, it makes no difference to me. I want the Tariff Commission to be investigated, and I want the story told not by its enemies altogether but by the friends of the commission and the men who know what has been accomplished.

Mr. HARRISON. Mr. President, of course the Senator has been both the friend of the Tariff Commission and the opponent of the Tariff Commission, according to the personnel of the Tariff Commission. Would the Senator be willing, if his resolution should come up, to include in it those things that are in the King resolution that are not in his resolution, so that there might be a more thorough investigation?

Mr. SMOOT. Mr. President, I really have not had time to go into the details of the resolution offered by my colleague,

and therefore I am sure the Senator from Mississippi would not expect me to answer his question offhand; but I want a thorough investigation of the Tariff Commission.

Mr. HARRISON. As one of the Senators from Mississippi, I do not like to see a division between the Senators from Utah on this important question.

Mr. SMOOT. I appreciate that very greatly.

Mr. CURTIS. Mr. President, I want to join in what was said by the Senator from Washington [Mr. JONES]. I hope the Senate will adopt the policy of sending all such resolutions first to the committee having jurisdiction over them, so that they may report upon the advisability of making the investigation. It will save time, and I think it will save a good deal of money.

I hope the junior Senator from Utah, as well as the senior Senator, will consent this morning that these two resolutions may go to the Committee on Finance. The Committee on Finance then can consider both resolutions and report as to what they think is the best course to pursue.

Mr. KING. Mr. President, the Committee on Finance was in session this morning, and adjourned because the minority members desired to have a conference. We have been in conference, and adjourned prematurely to come to the Chamber because of the advice which was brought to us that the resolution which I offered yesterday was before the Senate. I confess that I did not expect it would be taken up this morning, in view of the fact that the conference to which I have just referred was in progress, and that conference was sought with the full knowledge of the Committee on Finance and of the chairman of the committee. However, the resolution which I offered was upon the table, and under the rule is up for consideration at this time.

I am unwilling that at this time the resolution shall go to the Committee on Finance or to the Committee to Audit and Control the Contingent Expenses of the Senate. That is a matter which can be determined later. Of course, I am not in a position to control the resolution which was offered by my colleague, and I would not if I could. If he desires that that shall go to the Committee to Audit and Control the Contingent Expenses of the Senate, or to the Committee on Finance, I have not the slightest objection.

I am glad to know that my colleague appreciates the fact that the Tariff Commission does need investigation, and I am glad to know that he is so thoroughly converted to that view that he has offered a resolution. I am sure the commission needs investigation, and it is very gratifying to me to know that some of my Republican friends appreciate the fact that the commission is ceasing to function and that there should be a thorough and searching investigation in regard to its activities.

In view of the fact that I desire to return to the conference, I only ask that the resolution which I offered shall lie upon the table without prejudice, so that I might take it up later.

Mr. SMOOT. That being the case I shall make the same request as to my resolution, because I am going to be perfectly fair not only with my colleague but with every Senator in the Chamber.

The VICE PRESIDENT. Without objection the resolution will lie upon the table.

Mr. NORRIS. I would like to congratulate the Senator for coming over to the suggestion I made in the beginning.

Mr. SMOOT. Mr. President, there has not been any "coming over" at all. I did it because I thought it was right.

Mr. NORRIS. I do not care why the Senator came over.

Mr. FESS. Mr. President, I hope the Senate will adopt the practice which has been suggested by several members of the Senate to-day in reference to the Committee to Audit and Control the Contingent Expenses of the Senate. I have been a member of that committee since I have been a Member of this body. We have had an immense amount of work, but we seem to have no latitude whatever to make an inquiry as to the merits of the proposal submitted to us, and are left only to vote for a resolution and report it out favorably or vote against it.

At times we have reported resolutions to the Senate with amendments, but we were told by the body of the Senate that we had no authority to do any such thing. Resolutions come to us with all sorts of preambles that should have no place in legislation. We have thought it wise at times to strike out some things which seem to have no particular importance at all from our standpoint. Yet, when we do that we are told by the Senate that we have no authority to do such a thing. No committee has reported more resolutions than has our committee, but it appears to me that we ought to have some basis upon which we can know whether there is ground for voting for or against any particular resolution before the committee. If we do not have any latitude at all except to vote for or against, I can not for the life of me see any need of the Committee to Audit and Control the Contingent Expenses of the Senate. It would seem to me that it would be only effete, and would have no place in the machinery of the Senate.

On the other hand, if a contested question which properly belongs ab initio to a certain committee arises, and is referred to the committee having authority to look into the merits of the matter, it can be reported back and referred to our committee for the authorization to expend from the contingent fund the money which would be necessary, and we would have some basis to work on. But I do not feel like serving on a committee where there is no latitude for me to exercise any judgment except to vote for the thing or vote against the thing. I do not think that is a sensible legislative practice at all, and I hope the Senate will adopt the practice that where there is a contested point, such as has been developed this morning, the resolution shall go to the committee having jurisdiction of the subject.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Florida?

Mr. FESS. I yield.

Mr. FLETCHER. I understand there is an express rule on this subject, providing that where a resolution is offered which calls for an expenditure of funds in order to make an investigation, it must go to the Committee to Audit and Control the Contingent Expenses of the Senate. That course is provided, first, because that committee know what funds we have for disposition in the direction indicated by the resolution. They know how much has been spent, and how much they have for use for such a purpose. They are supposed to consider what the cost of carrying out the investigation will be, and they make their report, not on the merits of the resolution, but as to whether there are sufficient funds available for carrying out the investigation in case the resolution is adopted. They report to the Senate to the effect that the investigation will cost such and such an amount of money—and they can be specific if they choose; that there is in the contingent fund only such and such an amount of money, and therefore at present they can not report the resolution favorably.

If such a resolution as that now under consideration were referred to the Committee on Finance, and that committee should decide to report the resolution favorably, and to make the investigation, it might afterwards turn out that there were not sufficient funds available for the purpose. So it seems to me prefectly proper to refer these resolutions in accordance with the rule, which I do not see that we can escape, as long as we have rules, and have the committee report whether or not there are sufficient funds to carry on the investigation. After that, naturally, the resolution will go to the committee which will investigate the merits of the matter, to consider the merits of the resolution, and determine whether such an investigation ought to be made or not.

Mr. FESS. Then the Senator understands that the only function of the Committee to Audit and Control the Contingent Expenses of the Senate is to ascertain whether there are funds enough in the contingent fund to carry on the investigation?

Mr. FLETCHER. And what the cost of the investigation will likely be.

Mr. FESS. If that is the only function of the committee, why could not a clerk do the work, instead of a committee?

Mr. FLETCHER. Of course, the committee is an agency through which the Senate performs its work. It does not ordinarily perform its functions through clerks. There may be other matters to consider.

Mr. FESS. Mr. President, if the Committee to Audit and Control the Contingent Expenses of the Senate has no function except to ascertain how much money there is in the contingent fund, and then is compelled to vote that any sort of an investigation that might be reported should be made, and provide the funds for it, I should think that that could be done from the floor of the Senate without the intermediary action of a committee. I do not like to serve on a committee where there is absolutely no latitude given to a member to pass on the question as to whether a resolution should be reported out or not be reported out if it is simply a mere automaton.

It seems to me that the practice should be as suggested by several Members, that such resolutions should go to the committees which have jurisdiction of the subject matter, to ascertain the merits of the matter, and then, if they are reported by the proper committees, I would be willing to vote the necessary funds to prosecute the investigations.

The VICE PRESIDENT. The morning business is closed.

TAXES PAID BY ANTHRACITE COAL CORPORATIONS

Mr. LA FOLLETTE. Mr. President, I think the junior Senator from Pennsylvania [Mr. REED] has withdrawn his objection to the resolution which I submitted before the holiday recess, and I do not believe the resolution will provoke any debate. I therefore now ask unanimous consent for the immediate consideration of the resolution, being Senate Resolution 99.

There being no objection, the Senate proceeded to consider the resolution (S. Res. 99) submitted by Mr. LA FOLLETTE December 22, 1925, and it was agreed to, as follows:

Resolved, That the Secretary of the Treasury be, and he is hereby, authorized and directed to furnish to the Senate a statement based on corporation income-tax returns covering the year 1924 showing for each corporation engaged in the mining of anthracite coal the amount of capital stock, the amount of invested capital, the amount of net income, the amount charged to depletion and depreciation accounts, and the amount of Federal tax paid by each such corporation.

FREIGHT RATES ON BITUMINOUS COAL

Mr. REED of Pennsylvania. Mr. President, I send to the desk and ask unanimous consent to have printed in the RECORD a brief tabulation of the comparative freight rates on coal from the Pennsylvania districts and West Virginia districts in competition.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Comparison of freight rates on bituminous coal between Pennsylvania and West Virginia

[Transshipping rates (gross ton) to tidewater]

Origin district	Destination	Distance (miles)	Rate per ton	Mills per ton-mile	Pennsylvania lesser distance miles	Difference in cents in freight rate	
						Higher than Hampton Roads	Lower than Hampton Roads
Pennsylvania low volatile.	Philadelphia	329	2.32	7.05	96	-------	20
Do	Baltimore	238	2.25	9.45	187	-------	27
Do	New York	376	2.74	7.29	49	22	-------
West Virginia low volatile.	Hampton Roads.	425	2.52	5.93	-------	-------	-------
Pennsylvania high volatile.	Philadelphia	391	2.57	6.57	117	-------	50
Do	Baltimore	311	2.50	8.04	197	-------	12
Do	New York	482	2.99	6.20	26	22	-------
West Virginia high volatile.	Hampton Roads	508	2.62	5.16	-------	-------	-------

[Transshipping rates (net ton) to Lakes]

Origin district	Destination	Distance (miles)	Rate per ton	Mills per ton-mile	Pennsylvania lesser distance	Difference in cents in freight rate	
						Higher than Pennsylvania	Lower than Pennsylvania
Clearfield, Pa., low volatile.	Lake ports	305	2.38	7.82	-------	-------	-------
Pocahontas, W. Va., low volatile.	do	425	2.06	4.85	120	-------	32
Altoona, Pa., low volatile.	do	237	1.88	7.94	-------	-------	-------
New River, W. Va., low volatile.	do	407	2.06	5.06	170	18	-------
Pittsburgh, Pa., high volatile.	Lake ports	177	1.66	9.37	-------	-------	-------
Big Sandy, Ky., high volatile.	do	348	1.91	5.49	171	25	-------
Reynoldsville, Pa., high volatile.	do	155	1.51	9.77	-------	-------	-------
McRoberts, Tenn., high volatile.	do	470	1.91	4.06	215	40	-------

[Low volatile rates (gross tons) to Washington, D. C.]

Meyersdale, Pa.	Washington, D. C.	209	2.84	13.5	-------	-------	-------
New River, W. Va.	do	412	2.84	6.9	203	-------	-------
Pocahontas, W. Va.	do	384	2.84	7.4	175	-------	-------

Miscellaneous comparisons

Origin district	Destination	Distance, miles	Rate per ton	Mills per ton-mile	Difference in distance	Difference in cents in freight rate	
						Higher than Pennsylvania	Lower than Pennsylvania
Clearfield, Pa.	Utica, N. Y.	373	$2.76	7.40	-------	-------	-------
Pocahontas, W Va.	Dayton, Ohio.	363	2.24	6.17	10	-------	52
Clearfield, Pa.	New Haven, Conn.	423	3.21	7.59	-------	-------	-------
Pocahontas, W. Va.	Sandusky, Ohio	422	2.64	6.26	1	-------	57
Clearfield, Pa.	Hartford, Conn.	473	3.66	7.74	-------	-------	-------
Pocahontas, W. Va.	Cleveland, Ohio	474	2.64	5.57	1	-------	1.02

THE WORLD COURT

Mr. METCALF. Mr. President, I ask unanimous consent to place in the RECORD the addresses delivered and resolution passed at a public mass meeting held in Providence, R. I., December 7, 1925, under the auspices of the Providence World Court Committee, as well as copies of similar resolutions passed by other Rhode Island organizations favoring immediate entrance by the United States into the Permanent Court of International Justice upon the Harding-Hughes-Coolidge terms.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

MASS MEETING TO DISCUSS ADHERENCE OF THE UNITED STATES TO THE PROTOCOL OF THE PERMANENT COURT OF INTERNATIONAL JUSTICE HELD UNDER THE AUSPICES OF THE PROVIDENCE WORLD COURT COMMITTEE IN ELKS AUDITORIUM, PROVIDENCE, R. I., MONDAY EVENING, DECEMBER 7, 1925

PROGRAM

A message from Dr. William Herbert Perry Faunce, "Is America's place on the sidelines?" to be read by Mr. Henry D. Sharpe.

Speakers: Col. H. Anthony Dyer, "What Europe will think of us!"; Rabbi Samuel M. Gup, "The promise of world peace"; Mrs. Harvey J. Flint, "The woman's interest in the World Court"; Mayor Joseph H. Gainer, "The World Court from the viewpoint of the Public Executive"; Mrs. John H. Wells, "Three years of the World Court"; Bishop James DeWolf Perry, jr., "America's part in world affairs."

THE PROVIDENCE WORLD COURT COMMITTEE

Officers: James B. Littlefield, chairman; Arthur L. Aldred, Arthur M. Allen, Mrs. Francis G. Allinson, Chester W. Barrows, Joseph J. Bodell, Henry M. Boss, jr., Claude R. Branch, John Nicholas Brown, G. Edward Buxton, David B. Campbell, Antonio A. Capotosto, Miss Anna Harvey Chace, Everitte St. J. Chaffee, Mrs. James E. Cheesman, Miss Clara E. Craig, Mrs. George H. Crooker, Mrs. Henry I. Cushman, Halsey De Wolf, H. Anthony Dyer, Rev. William H. P. Faunce, D. D., Mrs. Harvey J. Flint, Joseph H. Gainer, John A. Gammons, Theodore Francis Green, Mrs. Harold J. Gross, Dr. Samuel M. Gup, John P. Hartigan, Right Rev. William A. Hickey, D. D., James H. Higgins, George H. Huddy, jr., Mrs. Harry A. Jager, Henry F. Lippitt, James R. MacColl, Carl B. Marshall, Miss Margaret S. Morriss, William W. Moss, Right Rev. James De Wolf Perry, jr., D. D., Theodore B. Pierce, Aram J. Pothier, Henry T. Samson, Miss Ada L. Sawyer, Henry D. Sharpe, Herbert M. Sherwood, Charles P. Sisson, Charles F. Stearns, Farrand S. Stranahan, Frank H. Swan, William A. Viall, Richard B. Watrous, Byron S. Watson, Thomas H. West, jr., Clinton C. White, Mrs. Henry A. Whitmarsh, Miss Elizabeth Upham Yates (vice chairmen), Thomas F. I. McDonnell (treasurer), Mrs. John H. Wells (secretary).

IS AMERICA'S PLACE ON THE SIDE LINES?

(Dr. William Herbert Perry Faunce)

In 1917 and 1918 America was in the center of the great struggle against autocracy. Rhode Island was aflame with patriotic devotion and echoed the great words, "They shall not pass." Brown University was a military camp, and I myself could not enter the campus by any gateway until I showed my pass to the armed guard at the entrance. As one result of that titanic struggle 11 monarchs were unseated from their thrones and 11 crowns placed in museums because the principles of American democracy triumphed in Europe and Asia.

But since the armistice was signed are we proud of our record? After the armistice we called our soldiers home, retired from every conference, declined to assume any responsibilities—political, financial, or social—and seemed to proclaim that the future of the world was none of our concern. We did, indeed, send relief funds abroad, and a group of Americans devised the Dawes plan. But at every international con-

ference we were conspicuously absent or present only as "observer." So far as other nations can see, our keenest interest has been in the collection of debts and our greatest fear has been entanglement in the fate of the rest of the world. Partly as a result of our attitude the rest of the world is still pervaded by a sense of insecurity, suspicion, and dread, and smaller wars are still going on in Asia and Africa.

If the nations could to-day have the guaranty of all the great powers that henceforth national disputes are to be settled, as individual disputes are settled, by law not war; if the peoples could be assured that no great power would henceforth resort to arms until its cause had been stated before a world tribunal—then half the fears of the world would vanish, then homes would be safe and governments secure, then commerce could flourish and education and religion feel a new inspiration for high endeavor. Will America sit on the side lines when 50 other nations are plunging into the game? Shall America help to win the war, and help to lose the peace: America was present at Versailles, but absent at Geneva; nobly present at St. Mihiel, but absent at Locarno; visibly present in the fighting, and visibly absent in all the peace making.

Now, a great wave of noble discontent is sweeping over our Nation. We realize that we are not true to ourselves, our principles, or our history, if we longer remain utterly aloof from every attempt at judicial settlements. Our Supreme Court, settling disputes among 48 States without the support of any army, is an example of what the nations of the earth may achieve, unless we by standing aloof, prevent it. The greatest hope of humanity lies in the establishment of such a court and loyal adhesion to it. I hope the people of Rhode Island, so effective in war, will show themselves effective in making peace.

What Europe Will Think of Us

(Col. H. Anthony Dyer)

I appear before you to-night in a rather novel position to talk on this subject. I am not one who has read or studied much about our participation in the World Court, but year by year, since the Great War, I have been from one end of Europe to the other, living with peasant people, talking with business men, mingling with the better brains that one meets with in traveling, and I have gleaned a great deal about what Europe is beginning to think of our great country, and the rest of the year, when I am back here in my own native city, I have learned a great deal about what America does not know about what is going on in Europe. We are a very conservative people in America. Conservative in international affairs, I suppose, because we started with such doctrines as our beloved President, George Washington, preached, which have made us wary of mingling in the affairs of the Old World; conservative because we have always been afraid to talk about matters of this kind on account of their political bearing; conservative because we don't want to do anything that will jeopardize American business interests in any foreign country; conservative because we don't want to run the risk of being plunged unnecessarily, without our own consent, into unnecessary warfare and to take part in struggles in which we are not vitally interested. But we have been, I fear, too narrow in our consideration of this great subject; and to-day I think we are far from having our eyes open to the real facts of the case.

You know if you have followed the war-scarred battle front from one end to the other, from the Adriatic to the North Sea; if you have lived with the people who have suffered from the war; if you have heard their deliberations and struggles in trying to reconstruct their nations; you would realize that Europe to-day means most certainly to get on its feet and to enjoy the blessings of peace. The Europe of to-day, especially these last few weeks, since Locarno–London, is a different Europe than a year ago.

People who in a faint-hearted way a few weeks ago believed Europe would ultimately save herself now realize that Europe is on the upgrade and means to have for the present at least an end of war and is trying everything in its power to have lasting peace. And I am sure now that the United States realizes that Europe means most assuredly to have this peace and means also to reestablish sensible economic conditions and relations between nations the last prop will be taken out from under that platform which encouraged us to withhold our aid in straightening out European affairs.

We pride ourselves in America that we are the world's greatest nation; that we are the most modern, up-to-date, and civilized people that exist on the face of the globe; but sometimes when I talk with Americans on various world-wide subjects, sometimes when I look about me and see the appearance of our cities in comparison with some of their cities, I begin to realize that we are not always in advance of them, even in the matter of civilization; that we are not in advance of them even in the matters of business and trade, and that we must approach this great subject of participation in a world court, if only from a business point of view, as it is certainly for the benefit of America to get into the game before the game goes on without her and over her head.

If you had been about with me in mingling with the plain people of Italy, France, Germany, and England, you would hear some rather hard things said about ourselves. You would have people say to you things like this: "Oh, yes; America went into the war to make money out of it." "Oh, yes; America is only interested now in getting back the blood money that was loaned here for the war." "Oh, yes; America has even shut her doors to our poor working people, so that overcrowded as we are and not having employment for them enough since the war they will not let us come over there to work out our own living and save our families." "Oh, yes; America thinks nothing but of dollars and business, and if she stands aloof she will lose our business also." Europe is coming back, and if she does come back in spite of America's aloofness, in spite of her not taking part in the great reconstruction, then Europe will do nothing to help her in the future and we in America will have no claims on them for business dealings.

America needs Europe and can not do without her. America must realize that if the commercial balance of the world is going to be restored, if she is going to sell her surplus products to Europe as she has been doing, if American automobiles are going to be put on the European market, if American tourists are going to be greeted with the glad hand and a great deal of courtesy, we have got to change our manner of dealing with our friends across the sea.

Europe of to-day at this Christmas season of 1925 is working for peace and happiness and really insists that if we are a Nation that stands for peace we must come and help them establish it in their land at this hour where they need help and succor more than at any other period of history.

Oh, it is so blind of people to think that we can get along without universal peace because underneath waiting for every false step that a nation may make is bolshevism ready to create war of the most dangerous kind. What is underneath all of this tremendous struggle which is trying to establish the unity of nations? It is the pursuit of peace and happiness which has always been the death knell to bolshevism, and if we are to help restore economic conditions and make those nations happier we are doing the best we can for world peace and at the same time for our own future. You know you can not have war again without losing many more nations to that red terror that has wrecked and burned two or three of the greatest powers in Europe.

Oh, my friends, if we only realized that our future is tied up absolutely to world peace we would not mind what we thought of international entanglements in Europe, that they can not agree among themselves, that one side of the Rhine has one question and the other side has another, that the southern side of the Alps is interested in one thing and northern Europe is interested in another. There is a strong registered voice in Europe that demands peace and justice, and they know just as well as we do here that you can not have any concerted act which would avert war without including in that action that one great power which to-day alone has the ability to really put that thing over.

And so I say, don't wish for peace in Europe when you are depriving Europe of the only weapon that they can use for peace. Don't say we want them to have peace and keep peace away from them by keeping out. Europe depends upon the strong right arm of Uncle Sam. France, England, Germany, Italy, Spain, Austria, all of them to-day respect and revere the United States. They question some of our motives, they don't like some of the ways they have been treated in business in the past; but they do know they can't have peace, they can't have unity, they can't put things over until we say to them—"Gentlemen of Europe, we are with you with our moral support, with our official support, with our money, with our men, and if necessary with all our power." And we know that if all do get together and work for the same interests, universal peace will be secured by the establishment of some such tribunal in which nobody will be missing and which, working as a great organization, will have jurisdiction over many of those things that will certainly help for the lessening of war.

Oh! think to-night, you, who sit here in a happy city like Providence; think of the battle-scarred nations where towns have not yet risen from the dust, where corrugated iron still covers the home of the ancestral family, where small gardens have still to be planted which before the war produced a food supply for the whole family; think of roads and towns, moors and water-fronts, devastated, bleeding from the war, that are yet just as poorly off as they were that day the armistice was signed, all because those nations haven't yet had time to lay down the sword and take up the ploughshare; because there isn't confidence enough in the future to disband armies, nor have they faith enough to devote their whole time to peace. They are only waiting for the United States to enter such a court and they will settle questions which they thought would have to be settled on the field of battle. Then you will find that smiles will come back to worn mothers' faces and children will grow up happy and healthy in countries that now are filled with dread.

Oh now is the Christmas season of good will toward men; let every American citizen, man and woman, do his or her utmost to save Europe, getting behind any effort that starts a tribunal that will pro-

vide judicial processes for useless slaughters that have proved the greatest curse of modern times.

There was no glory in the last war, there was nothing that was contributed to the welfare of mankind, nothing that bred romance and grandeur in the last World War, nothing but sorrow and death and want; and before God, we in an enlightened Nation of this sort ought to pledge our whole support to do everything we can to prevent another.

THE PROMISE OF WORLD PEACE

(Rabbi Samuel M. Gup)

This is a red-letter month in the progress of world peace, a day of triumph and of song. For the journey begun at Locarno by several nations in Europe was completed on December 1, in the city of London, and the treaties enacted in consequence of that journey have now become the hope and the inspiration for peace on the European continent.

History will record that not at Versailles but at Locarno was the war ended. The treaty of Versailles was written in the spirit of war's venom and cruelty, when the waves of hate caused by the war still ran mountain high; but the treaty of Locarno was written in an altogether different spirit—the spirit of reconciliation and good will; the spirit of dependence in achieving the task of security for one and all. The treaty of Versailles stopped hostilities, it silenced the guns and sheathed the sword, but the treaty of Locarno soothed the burning bitternesses of the war.

This month will always be memorable because it inaugurated an era of peace, for the first time in the history of mankind, an era of peace founded on trust rather than a state of peace dictated by fear.

Great Britain, Italy, Germany, France have now concluded an arrangement to consolidate the peace of Europe. They have agreed to submit all disputes of every kind for settlement to a tribunal. This agreement was made as by equal partners and has teeth in it. We are headed straight, according to Premier Briand of France, "for arbitration and collaboration" among all the nations of the world now that these agreements have been concluded to a condition "where war and armament have no place whatsoever."

With peace assured in Europe, the time is favorable for the substitution of law-abiding processes for a resort to arms as a means of settling international disputes. Never was an hour more opportune for our own country to engage in this marvellous movement making for peace. The hour has come for our own nation to join, to uphold and to support the World Court of Justice in order that justice shall henceforth determine the path nations shall pursue in all of their relations with one another.

The conception of such a World Court of Justice is a natural step in the development of international procedure. There is nothing artificial or parochial about it. It does not contract the operations of right, it enlarges them. Just as society in the course of its evolution changed from the fistic fight between individuals to the court of law; so it seeks now, for its own welfare, to substitute law-abiding processes for armed conflict. Thus does civilization prosper.

Civilization has always moved forward by getting out of the house of bondage to the land of larger vision and clearer outlook. Once it was considered ethical for the strong man to take matters in his own hands, then for the group, and later, for the nation. We realize now that mere assertion of strength, the mere victory of brawn, does not at all decide the issues involved on moral grounds. We are beginning to catch up with the pronouncement made long ago, "Not by might nor by strength but by my spirit" sayeth the Lord.

The World Court offers the way of common sense and reason. It gives the road of law in the place of armament. It proposes moral enlightenment instead of destruction of life and property. It represents the growing sense of brotherhood and humanity. It marks the unfolding of an international conscience and is the vehicle for its practical expression.

The peoples are now marching forward toward an extensive application of the principles of right. Right and justice have been the longing of the ages. Right and justice are not peculiar to any region in the world. Right and justice know no border. They have no bounds. Their favors are impartially distributed and the seed of justice yields the fruit of peace.

In the existence of the World Court, America must play her part. We are vitally concerned in the establishment of a medium for the spreading of right among all people. We feel that though we may differ as to the terms upon which we shall enter that court, there can be no difference among us in regard to the idea of a world court itself and the ideal for which it stands.

There have been a number of arguments against our connection with a world court, but none of these have proven sufficiently convincing. It has been advanced, for instance, that American rights will be compromised and that the sovereign power of the American Government will be jeopardized. Supposing that in joining this court we might be compelled to make something of a surrender on the part of nationalism (which to some people has become an idolatry) for universalism, that surrender will not be to a lower ideal but to a higher one and for the greater good of humanity. We ought to be willing to make this surrender willingly and gladly, as nearly 50 other nations in the world have done, for the sake of making peace secure in the world.

In the second place, it has been brought forth that this World Court will never accomplish justice because it will become a controlled and subject tribunal. It is incredible that a nation with such qualities of leadership as our own, with its wealth, ideals, and power, should fail when bringing these qualities to bear in keeping this court uncontrolled and untrammeled. Lastly, it has been argued that we ought first to draft a code of law before we commit ourselves so that we might first know just what the functions and the powers of this court will be.

I believe, however, that this agency will pioneer in the international wilderness most successfully; good sense will exert itself, and that in time, as the court develops, it will develop powers, principles and the exercise thereof which will commend itself to all nations of the world.

The World Court is a hope-giving institution. It stands on the side of the right. In practice it will achieve the right as the nations will so will it.

It behooves our own country always to stand on the side of right and to indorse such practical measures as will organize the forces of right. We have long been speaking high-sounding phrases about peace. Is it not time that we matched our words with our deeds? We can ill afford to close our eyes in the presence of the greatest social problem of mankind. Shall we have war again or shall we build international substitutes for war?

The developments of our history, our form of Government, the very heart of citizenship tell the eagerness of America to see the whole world enjoy the blessing of peace. The necessity for the World Court is therefore obvious. The old way has disastrously failed. The new way offers the principles of abiding peace. Shall we scorn it? Shall we belittle it? Dare we dismiss it? Ours is a confidence in the integrity of our sister nations, a feeling of responsibility for the welfare of humanity, a sense of obligation for our common brotherhood which will yet stir and move us to subscribe to the only international agency that does and will give increasingly the promise of saving peace for the world.

THE WOMAN'S INTEREST IN THE WORLD COURT

(Mrs. Harvey J. Flint)

I shall speak briefly upon the woman's point of view relating to the World Court. To my mind it divides itself very definitely into three practical headings:

Why are women interested in the World Court?

What women are interested in the World Court?

What will women do because of their interest in the World Court?

Now, women have been known since the beginning of time to be idealists. They have been classified largely as a group that didn't know why they knew it, but they knew it. There is that much maligned phrase which is known in art, "I don't know much about pictures, but I know what I like." Just so women start out many times, "Well, don't tell me what I am going to think, because I think it already." Women know perfectly well that the abolition of war will come only through the spiritual healing of the nations. They know that political moves made which culminate in such things as the World Court are but human footsteps. They know that the real healing must take place in the consciousness of the world. But this consciousness must be lifted, must be exalted, if we, too, are to fulfill that which we know is Christ's teaching, "If ye lift up the Son of Man, ye will draw all men unto Him," and so women do and continually want to align themselves with those forces for lifting up the consciousness of mankind.

The woman in the Apocalypse "brought forth the man child who was to rule all nations with a rod of iron, and the government was to be upon His shoulder," and we know that the man who typified that order, who typified that teaching, said, "When ye go to the house of prayer and would lay your gift upon the altar, if ye find ye have aught against your brother, see that ye forgive your brother, then go and lay your gift upon the altar." Isn't that being made practical to-day when we bind ourselves with an organization the working out of which will mean that we may arbitrate instead of agitate; that we may forgive and meet halfway rather than transgress and try to absorb or dominate?

So women are desirous that the good of Christ's teaching shall be made practical, shall be brought into their everyday lives. And one step in Christ's teaching certainly seems to me to be the World Court to-day in human affairs.

Now, another point; why women are interested in the World Court is that—

Women are necessarily conservers of life. Women have first and last paid the price of war. They have paid it with their sons. They

have learned that it is a destructive thing because it destroys that which is not easily replaced—human life—and they are loathe to longer lay that upon the altar.

Then there is one other and to me an unanswerable point. It is so hopelessly unintelligent that in this day of enlightenment, in this day of education, in this day of progress, that men should still be willing to fight a dispute out instead of arbitrating it out; and the World Court is offering the opportunity for calm, judicial arbitration. So why women are interested can be summed up very clearly in my mind, because they are adherents of Christian teaching, conservation of life, and intelligent arbitration.

Now, what women are interested in the World Court?

I am sure it will be encouraging and heartening to know what grade or groups of organized women have already lined themselves up definitely and fearlessly back of this movement. The organized women's movement for the World Court was first proposed by Mrs. Carrie Chapman Catt some three years ago at the national convention of the United League of Women Voters, and as a result of that clarion call which she sent forth delegates from all of the organized women of America gathered together in a conference in Washington and declared themselves definitely and irrevocably for this World Court movement.

I am going to read a list of those national organizations—it is a formidable one:

The American Association of University Women.
The Council of Women for Home Missions.
The Federation of Women's Boards of Foreign Missions.
The General Federation of Women's Clubs.
The Young Women's Christian Association.
The National Council of Jewish Women.
The National League of Women Voters.
The National Women's Christian Temperance Union.
The National Women's Trade-Union League.
The National Federation of Business and Professional Women's Clubs.

These organizations represent about 12,000,000 women who have gone on record as backing the World Court—not simply a principle, but the World Court, which is being presented in the political arena of America to-day; so the organized women of America are for this movement, are back of this movement and will undoubtedly stay on the firing line until this movement consummates in success.

Now, what will these women do?

The time was when woman sat at home and hoped her husband would vote right. She hoped he would. Sometimes he did, and then again he didn't. To-day, anyway, she has the vote, showing that she wasn't entirely satisfied with the way he handled it, so she, having attained to this state of political importance, political freedom, she having become articulate, stands in her strength and says, "My vote has power. I have a Representative in Washington. I will see that that gentleman hears from me." And he does, much to his surprise and often to his discomfiture. As I heard one man in Washington say, "Well, my mail is full of letters and telegrams from those blankety-blank women." What he meant was that he was being prodded by the requests being made by organized voters. So, with women organized and with the vote and with a definite goal, they are starting out to attain their purpose. That purpose is to give a political nudge, just a nudge, perhaps, but if a nudge is not enough, they will give a push, and in the end that which is wanted by the organized voting strength will be the thing that will be placed upon the statute books.

We must remember this: The World Court has been pushed about from one administration to the next and through all these years, though before the Senate, it has never actually come to a record vote; but with the organized effort that seems to have been aroused on the subject to-day, if we are unable to make our representatives in Washington see that it is a record vote we want, then it is time we got some new representatives. I believe there is sufficient strength to-day to let its voice be heard in Washington loud enough that the insurgents, whoever they may be and in whatever party they may be, will realize that this particular issue transcends party lines and goes into the lines of humanity, and since it is an alignment of humanity, it must be treated as a humanitarian subject; and because it is of humanity, it must have only one outcome, and that is that we move definitely in the direction of abolishing the cause of useless war.

The World Court alone will make that step possible to-day, and America can and will take her place with the other nations in that body during this coming session of the Senate whether BORAH will or no.

THE WORLD COURT FROM THE VIEWPOINT OF THE PUBLIC EXECUTIVE

(Mayor Joseph H. Gainer)

We have met this evening to discuss the question which will be considered by the United States Senate on the 17th day of this month, Shall the United States participate in the World Court on certain definite and fixed conditions?

Since the World War the nations of the earth have been endeavoring to find some method of settling international disputes by a means other than armed conflict.

We are all heartsick of war. We have just emerged from a conflict which came very close to destroying the civilization of Europe. The toll of human life which was taken was simply appalling. The maimed and the injured in body and mind are counted in the millions. The money and the material resources which were sacrificed have brought many of the nations of the world to the verge of bankruptcy and will require many decades of untold sacrifice and suffering to replace.

We have now an opportunity to encourage and support an instrumentality which will pave the way for the abolition of war. Will we embrace that opportunity? Offhand it would seem that there ought not to be any question of the United States giving its support to such a project. But the point has been raised that giving our adherence to the court would jeopardize our sovereignty and would make us a party unnecessarily to European disputes. I can not agree with this contention.

Prior to the World War there existed The Hague tribunal. This was not a court. It was a body made up of representatives from practically all the nations of the world, from which a board of arbitration might be drawn for the settlement of a particular dispute. Since the World War there have been set up two other agencies for the promotion of peace, one the League of Nations and the other the court which we are discussing to-night. All three exist at the present time and are functioning.

The World Court, or, as it is technically known, the Permanent Court of International Justice, has been in active operation since 1922. Up to May of this year it has rendered 5 judgments and given 10 advisory opinions. Eleven judges and four deputy judges constitute the court. The nations represented in it are the United States of America, Great Britain, the Netherlands, Switzerland, France, Spain, Japan, Italy, Denmark, Cuba, and Brazil. The deputy judges are from Yugoslavia, Norway, Rumania, and China. Forty-eight nations have joined it already. In a word, it is an international judicial body which is actually functioning.

Many persons object to our entrance into the World Court because they believe it is a creature of the League of Nations and subject to the control of that body. I can not agree with this claim. As I see it the court is an independent body. While it owes its existence to the initiative of the League of Nations, it was not created by the league but by an international agreement between the nations who are now a part of it. All of the 48 nations now members of the court, acting separately, ratified this agreement, just as we are asked to do on the 17th of this month. A nation may be a member of the court and not a member of the League of Nations, or, vice versa; it may be a member of the league and not a member of the court.

Nominations of the judges are not made by the league but by the international group in The Hague Tribunal of Arbitration. The judges of the court do not have to be chosen from citizens of league members. At the present moment John Bassett Moore, a very distinguished American citizen, is one of the 11 judges of the court, although we as a nation are not yet members of the court.

When nominated the judges are elected by the two bodies in the Assembly and the Council of the League of Nations. This is where the league most vitally touches the court. The assembly of the league is made up of one member from each nation in the league. The council is made up of the larger nations. A man to be elected judge must obtain a majority vote in each body. Either body can nullify an election. But one judge of any nationality can be selected. This method gives the smaller nations a veto upon the larger.

The creation of a world court—that is, a body for the trial and decision of international causes by judicial methods—has been advocated by America since 1899. Our delegates took part in the first Hague conference in that year and advocated a plan for an international tribunal, permanent in the exercise of its functions, like the Supreme Court of the United States. America's plan was not adopted. The British plan was taken instead. The British plan provided instead of a court, as we understand it, a list of competent persons called arbitrators, each country to have the privilege of naming four for the list. From that list each nation to a dispute which it desires arbitrated can select two arbitrators, the four to choose an umpire.

At the second Hague conference in 1907 the United States renewed its proposal for the establishment of a permanent judicial tribunal. Again the project was not successful, as no way could be found to satisfy both the larger and the smaller nations in the selection of judges. The court has the power of rendering judgments and of giving advisory opinions. These can not be obtained except by resolution of the majority of the 55 nations in the assembly or of the 10 nations in the Council of the League of Nations. The resolution now before the United States Senate would bring us into the World Court on five specific conditions:

First. That the adherence of the United States to the court shall not be taken to involve any legal relation to the League of Nations or the assumption of any obligations under the covenant.

Second. That the United States shall participate on terms of equality with other nations in the election of the judges by the council and assembly of the league.

Third. That the United States shall pay a fair share of the expenses of the court as determined and appropriated from time to time by the Congress of the United States.

Fourth. That the statute for the court shall not be amended without the consent of the United States.

Fifth. That the United States shall not be bound by advisory opinions rendered by the court upon questions that the United States has not voluntarily submitted for its judgment.

A new resolution which has been presented by Senator SWANSON will undoubtedly be added. This provides that action by the United States for the submitting of questions for decision shall require a two-thirds vote of the Senate.

If the resolution now before the Senate should pass, the 48 nations now constituting the court would be obliged to accept our conditions and to say so in official note before we became a member of the court.

I can not see that the adherence of the United States to the court would affect the Monroe doctrine. The court has jurisdiction only of such disputes as the nations involved submit to it. The United States, in my opinion, would not be likely to submit a dispute involving the Monroe doctrine. At the present time there is a dispute between Chili and Peru which threatens to go to the World Court. While in this case it may be said that we are not a party to the dispute, I believe if any question in that dispute should involve the Monroe doctrine, we would have a right to be considered a party, especially since the 55 nations in the League of Nations have agreed to respect the validity of national agreements such as treaties of arbitration or regional understandings like the Monroe doctrine. But I think it is clear that whatever rights the United States has in this matter at present can not be lessened by our entering the World Court on the conditions named.

I do not believe either that a question involving our immigration policy can be brought before the court for settlement. In the first place we would not be likely to refer such a dispute to the court. In the second place, the court's jurisdiction does not include domestic matters. We consider immigration a domestic question. Already the court itself has said in an advisory opinion that it was a domestic question.

I have given you my reasons for believing that our entrance into the World Court on the conditions above outlined would not affect our sovereignty or sacrifice any of the principles which we have always held dear. On the other hand I believe our adherence to this international judicial body would give it great moral support and would be very effective in producing a speeding up of the process of disarmament. I do not believe that our entrance into the World Court will mean the immediate abolition of war, but I think it will be a big step in that direction.

THREE YEARS OF THE WORLD COURT

(Mrs. John H. Wells)

The World Court is still in its infancy, less than four years old. It was originally the child of the United States but has been disowned by the United States and adopted by Europe. Europe is satisfied with the World Court and will not change for another even though we do stay out. The World Court functions. It has seen active service for three years. Forty-eight nations have signed the protocol and 37 have ratified it. Fifty-five nations support it financially. The seven nations not in the court are those members of the league but not members of the court: Abyssinia, Argentina, Guatemala, Honduras, Irish Free State, Nicaragua, and Peru. Besides this eight nations of the world are neither members of the league nor of the court. They are Afghanistan, Ecuador, Egypt, Germany, Mexico, Russia, Turkey, and the United States.

What are the questions which are dealt with by the court? These questions are not political nor are they diplomatic questions. They are mainly justiciable questions, questions of fact. Another group of questions dealt with by the court comes under the head of interpretations of treaties. A great many treaties have come into existence since the World War. There are constantly questions of legal interpretation of these treaties which might lead to war if it were not for the resource furnished by the World Court. Advisory opinions may also be given by the World Court when asked for by the council or assembly of the League of Nations. The World Court is open to all nations and its jurisdiction is compulsory on none unless the nations have signed the optional clause by which they bind themselves always to accept the jurisdiction of the court.

Many objections are made to our entrance into the World Court, one of the chief of these being its connection with the League of Nations. The League of Nations is connected with the World Court only in so far as the members of the Council and Assembly of the League of Nations elect the judges of the World Court. This method of election was suggested by an American, Mr. Elihu Root, and is only a convenient way of using the representatitves of the 55 nations already brought together from the different parts of the world. In joining the World Court we would join with the reservation that we would be connected with the League of Nations only in so far as it was necessary for us to be present for the election of judges. The statute of the World Court is an entirely separate document from that of the League of Nations and adhesion to one does not necessarily mean adhesion to the other. Mr. BORAH, chairman of the Foreign Relations Committee of the Senate, has made much of this connection with the League of Nations. He also objects to the present World Court because international law has not been sufficiently codified. In this latter objection Mr. BORAH seems to be putting the cart before the horse. As we all know, international law develops in part through the functioning of a court and through the judgments and opinions handed down by that court. Moreover, a great deal is being done for the codification of international law. The question has been taken up by the League of Nations and a committee appointed, numbering among its members our own former Attorney General Wickersham, to act on the question of the codification of international law. Italy, the Netherlands, Switzerland, and the Pan American Institute of International Law have all recently set about its study and codification.

Let us review briefly some of the achievements of the World Court in these three years. Our own Supreme Court in the United States during the first three years of its existence had only two cases put before it. The World Court has rendered 12 or 13 advisory opinions and 5 judgments. As some one has said, it is dangerous to make prophecies beside the cradle, but this achievement in the first three years of its life seems to forebode well for the future. Let us consider first the question of advisory opinions. These advisory opinions are not binding upon those to whom they are given, and yet they have a very strong influence through the force of public opinion thus created. They are absolutely necessary to a new organization like the League of Nations, untried in an administrative way, constantly needing legal advice and principles of interpretation. An independent body with prestige like the World Court can supply what diplomats and statesmen might lack. A nation in accepting an advisory opinion might thus not only escape from certain mistakes and even international conflicts but by yielding beforehand avoid a decision which would be more humiliating to its pride. One advisory opinion which may well have averted possible war was given in connection with the case in dispute between France and Great Britain in Morocco and Tunis. Great Britain contested the decrees given by France in Morocco and Tunis, saying that they exceeded the powers of a protecting state and violated treaties. France disputed this claim of Great Britain and said that the question was purely domestic. It was submitted to the court and found to be international in scope. Both parties agreed to the decision.

On the five judgments rendered by the court the one in the Mavrommatis case is of great interest. It is interesting especially because it shows that the judgment is not always given in favor of the more powerful nation. This was a case between Great Britain and the Greek Government over certain concessions in Palestine made to a Greek citizen under the Ottoman Government. The judgment rendered by the court was to the effect that the Greek citizen had a right to his concessions granted to him in Jerusalem. Certain principles of international law were worked out in connection with this case which were most valuable, especially principles in regard to jurisdiction based on international agreement such as that made at the time of the Palestine mandate of 1922. In this Palestine mandate it was agreed that any difficulties arising between Great Britain and any member of the league within the mandate should be referred to the World Court.

The independence which the World Court feels in respect to the League of Nations is well shown by their refusal to give an advisory opinion in regard to a question submitted to them by the League of Nations in 1923. This request for an advisory opinion was made in connection with difficulties between Finland and Russia in Eastern Karelia. As is usual in an advisory opinion, all the facts of the case were sent to the various members of the court. Russia refused to send any information or to take part in any way in the proceedings of the court. The court therefore declined to give an advisory opinion, saying that the noncooperation of Russia made impossible any fair decision. The court based its decisions here on the theory of the independence of nations. No nation is under obligation to submit its disputes with other nations to mediation, arbitration, or other method of peaceful settlement without its consent.

A further achievement of the court has been in regard to the interpretation of treaties. The League of Nations in its covenant provides that all treaties shall be publicly published and registered with the League of Nations. Since the founding of the League of Nations nearly 1,000 such treaties have been registered with it. Of these treaties nearly 400 contain a clause stipulating that the World Court shall be the body to which any case of disagreement over the interpretation of the treaty shall be submitted. This is in effect compulsory jurisdiction and is a most important power vested in the World Court. Many wars may be averted by such interpretation, and moreover international law may be greatly developed.

The World Court, in addition to these more concrete achievements, has made intangible gains, among these one of the most important being the respect and interest of the whole world. The World Court has a high quality of personnel, such as our own John Bassett Moore, formerly Assistant Secretary of State and one of the foremost authorities of the United States in international law and arbitration. Lord Finley, of Great Britain, formerly Attorney General and Lord Chancellor of the British Empire, and a distinguished historian, is another one of the illustrious members of the court. Antonio Sanchez de Bustamente, of Cuba, professor of international law at the University of Habana and president of the Pan American Institute of International Law, author of one of the most authoritative books on the World Court, is also one of the distinguished judges of the court.

The fact is well known to everyone that the great majority of the people of the world are opposed to war, and yet wars continue to exist. How is this fact to be explained? The opinion which is opposed to war is an international opinion and can only be expressed through some international institution. Such an international institution is the World Court, and through it may be registered this world-wide feeling against warfare as a method for the settlement of disputes between countries. Ex-Secretary Hughes has well said that unless this present court, known as the Court of International Justice, is really made the World Court of International Justice by the association of all the nations of the world in its establishment, there never will be a world court of justice.

AMERICA'S PART IN WORLD AFFAIRS

(Right Rev. James De Wolf Perry, jr., D. D.)

You may have noticed a certain degree of unanimity in what has been said to you this evening by all of the speakers, and I believe that I am not intended to stand on another side or to act the part of advocatus diaboli. No debate is required before such an audience as this to enable the hearers to consider the pros and cons in the argument for the World Court. There are no pros and cons which we need to hear, because the arguments for a World Court are being acted out before our eyes inexorably and tragically. We have seen in the graveyards of France stones marking the resting place of thousands who laid down their lives for a hope as yet unfulfilled, a hope to which we pledged ourselves and pledged our country. We have seen cities in western Syria, cities that marked great monuments in history, needlessly laid low. We have seen hundreds of thousands of children in east Syria suffering as the innocent victims in struggles that might have been prevented, and we have seen in the mountains of Assyria ancient nations to whom we are bound by strong ties of faith and friendship this very week being swept off the face of the globe, and for no other reason than that we have been content to stand by without a word, without even a gesture.

On one eventful evening last summer in England when the destinies of Mosul were in the balance, during a meeting of the cabinet in England, I happened to be sitting and talking with one of the men in England who represents the highest form of statesmanship, and my errand was the discussion of this very question of the destiny of the people in the mountains of Khurdistan. He turned to me, after I had been trying to plead the cause, which was not necessary, of course, to plead, and he said to me: "Do you realize that there was a time when America by her power in the council of the family of nations might have made all of this warfare and destruction impossible?" But that time has not wholly passed. The great current of disaster and of destruction is still sweeping on while we are standing aloof.

I say, my friends, that these are arguments which need not be put into words, because they are being enacted before our very eyes and there is no difference of opinion about them. No company of true-hearted Americans need to be persuaded against their will of the necessity of the World Court or of the necessary part that the United States shall take in it. I believe that if in any company of intelligent citizens such as is gathered here this evening a vote were taken the unanimous expression of opinion, the undoubted sentiment of our whole country, would be in favor of the unqualified entrance of the United States in the World Court. Why then has it not happened? Why then is there this doubt? Why this discussion in the daily press of the pros and cons of this question? It is not that the people of the United States are unwilling to decide it, but because we have allowed little companies of our own legislators to frustrate the plans of President and people, because we have allowed the interests of parties to obscure the issues which are more important than any issue in the world and we have stood willing to give way to those influences and to be overcome at times by those forces. But, my friends, when this question comes up for final decision it is not to be passed upon ultimately by the Senate of the United States or the House of Representatives, by any party, or by any representative body. The body which is going to decide this is the same which decided the entrance of the United States into the World War. It is the great body of American citizens. There is the jury to which this question is ultimately to be submitted, there is the force that is ultimately to be brought to bear.

You remember how just eight years ago the sentiment of the American people, slow to move at first, gradually asserted itself in utterances that allowed of no misunderstanding, in great demonstrations, parades of preparedness. The sophistries of legislators, the prejudices and fears of any who might have objected, were all borne away before a great current of national opinion.

The question concerning the World Court will be solved by the same irresistible force.

It will be decided first on the basis of faith. Although we may be agreed upon this question, my friends, we have entered it as yet very half-heartedly; not with the kind of belief that asserts itself with indomitable force. America has not yet expressed its deepest convictions on this matter. When we have that expression of conviction by our whole body of citizens the faith of the people will ultimately win the contest. And it will be decided by the spirit of courage. My friends, if we are honest with ourselves we shall have to confess that we have been consulting our fears in this great question; we have been listening anxiously to what those who are supposed to be the leaders of our people and of our Nation have to say. We have not placed the strong hand of American opinion fearlessly, bravely, on the helm that is to steer us into the ultimate solution of this question. In the minds of a great many people the ship of state is conceived of still as a kind of ferryboat with a rudder cautiously placed at the end, that makes its way carefully from bank to bank of some sequestered stream.

What America has to fear to-day is not entangling alliances abroad but provincialism at home.

If, which God forbid, we are led into another war, it will not be because we have faced the situation and moved toward it with open eyes and open minds, but we shall have drifted into war simply by reason of our lack of decision and by a spirit of provincialism ingrowing in too many communities in the United States. So I say that it will be not political, not legislative, not theoretical questions that will have set the minds of the people of the United States to the solution of this question, but, as in the last issue of every problem that comes before us for a solution, it is the spiritual interpretation of the question which shall finally govern us. When at last America shall have gathered herself together to assert herself before the world we shall, without question, without compromise, without prejudice, and without fear, take our rightful place at the council table of the family of nations.

PROVIDENCE WORLD COURT COMMITTEE,
Providence, R. I.

Resolution passed at public mass meeting, December 7, 1925, held under auspices of Providence World Court Committee in Elks Hall, Providence, R. I.

Resolved, That this meeting of citizens of Providence, held in Elks Auditorium on December 7, 1925, is strongly in favor of immediate adherence by the United States to the Permanent Court of International Justice, upon the Harding-Hughes-Coolidge terms: And be it further

Resolved, That copies of this resolution be forwarded, through the officers of the Providence World Court Committee, to the President of the United States and to our Senators in Washington.

Attest:

JAMES B. LITTLEFIELD, *Chairman.*

Woman's Christian Temperance Union of Rhode Island voted that the following resolution be adopted by the State executive of the Woman's Christian Temperance Union of Rhode Island:

"*Resolved,* That the Woman's Christian Temperance Union of Rhode Island reaffirms its faith in the Permanent Court of International Justice and advocates that the United States of America participate in the same on the basis of the Harding-Hughes-Coolidge reservations."

Same resolution adopted by the following:

Coventry Women's Club, Providence Section Council of Jewish Women, Rhode Island State Federation of Women's Clubs, Edgewood Civic Club, The Triangle Club, Four Leaf Clover Club, Chepachet Needle Book Club, Providence Association for Ministry to the Sick, Read Mark Learn Club, Nautilus Circle, Cranford Club, and Hope Valley Women's Club.

THE UNITED LEAGUE OF WOMEN VOTERS OF RHODE ISLAND

Whereas the United League of Women Voters of Rhode Island has voted to concur in the action of the national league to make the support of the World Court their major responsibility until the protocol is signed; and

Whereas its department of international cooperation to prevent war has been studying for four years the relations of one nation with another; and

Whereas it has given particular study to the Permanent Court of International Justice and indorsed not only the idea of international peaceful cooperation but the specific court set up at The Hague; and

Whereas this department at various times has urged upon the President of the United States and the United States Senators from Rhode Island the entry of this country into this court, with the Harding-Hughes-Coolidge reservations: Be it

Resolved, That this department reiterates its indorsement of the attitude taken by President Coolidge in this regard, and also its hope that the Senators from this State will strongly support him in his stand.

RHODE ISLAND CONGRESS OF PARENTS AND TEACHERS

Whereas December 17 has been fixed as the date of consideration of the entrance of the United States into the World Court by the United States Senate; and

Whereas this measure has received the support of very many organizations, including the National Congress of Parents and Teachers, and was included in the platforms of both political parties; Therefore be it

Resolved, That the Rhode Island Congress of Parents and Teachers go on record as urging a favorable vote on the measure with the Harding-Hughes-Coolidge reservations, and that we send the record of this action to President Coolidge, Senator BORAH, our two Rhode Island Senators, and to the Rhode Island World Court Committee.

FIRST CONGREGATIONAL ALLIANCE (UNITARIAN)

Since we believe that a nation or a people may create for itself a moral obligation by its conduct, and that the long advocacy of a world court by our President, statesmen, and publicists has created such an obligation, direct and imperative, so that national honor as well as national interest requires that we unite with other nations in the support of such a court as a most important agency of international justice and peace; and since the general conference and Unitarian Association meeting in Cleveland on October 15 passed a resolution "committing itself to the adherence of the United States to the World Court * * * and to the pronouncement that war is crime and must be outlawed as such, not in word only but in deed and in truth": Therefore be it

Resolved, That this First Congregational Alliance (Unitarian), of Providence, R. I., numbering 250 women, respectfully urge upon your honor the President and Congress the prompt entrance of the United States into the Permanent Court of International Justice, known as the World Court,, with the Harding-Hughes-Coolidge reservations, at the coming session of Congress, convening this December, 1925; it is further

Resolved, That a copy of this resolution be sent to the Providence World Court Committee, of which James B. Littlefield is chairman.

PROVIDENCE MOTHERS' CLUB

Whereas it has been the policy of the United States for many years to submit interstate disputes to the Supreme Court; and

Whereas it has been the aim for nearly a quarter of a century of the United States to establish a world court for international disputes; and

Whereas in the last platform of both the Republican and the Democratic Parties support was pledged to the entrance of the United States into the Permanent Court of International Justice: Be it

Resolved, That this, the Providence Mothers' Club, November 9, 1925, go on record as favoring the entrance of the United States on December 17 into the World Court, and that this organization do all in its power to assist President Coolidge in his noble effort to have the United States adhere to this World Court with the Harding-Hughes-Coolidge reservations.

EDGEWOOD WOMAN'S CLUB

We, the Edgewood Woman's Club, desire to place ourselves on record as heartily indorsing America's entering the World Court; and we desire

Further, That you include the Edgewood Woman's Club in indorsement of this project that you are sending to Washington.

THE WOONSOCKET ROUND TABLE CLUB

The Woonsocket Round Table Club indorses the World Court movement with the Harding-Hughes-Coolidge reservations.

SALE OF SURPLUS WAR DEPARTMENT PROPERTY

Mr. WADSWORTH. Mr. President, I ask that the Senate proceed to the consideration of Senate bill 1129, authorizing the sale of certain military posts which are surplus, and other real property belonging to the War Department.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 1129), authorizing the use for permanent construction at military posts of the proceeds from the sale of surplus War Department real property, and authorizing the sale of certain military reservations, and for other purposes, which had been reported from the Committee on Military Affairs with amendments.

Mr. WADSWORTH. I ask that the formal reading of the bill be dispensed with, and that the bill be read for action on the committee amendments. I may state that the committee amendments have no intrinsic importance; they are merely to see to it that these properties are sufficiently described in the act so that in the future there shall be no trouble about title.

The VICE PRESIDENT. Without objection, the bill will be read for action on the amendments of the committee.

The Chief Clerk proceeded to read the bill.

The first amendment was, on page 2, line 7, after the word "Florida," to strike out "(portion)" and to insert "(that portion reserved by Executive order of January 10, 1838, and subsequently transferred to the War Department)."

The amendment was agreed to.

The next amendment was, on page 2, line 12, after the word "Florida," to strike out "(portion)" and to insert "(all except that portion reserved for and used as a Marine hospital reservation)."

The amendment was agreed to.

The next amendment was, on page 2, line 15, after the word "Washington," to strike out "(portion)" and to insert "(that portion known as 'Shields Spring' tract, about 66 acres)."

The amendment was agreed to.

The next amendment was, on page 2, line 18, to strike out "(lots)" and after the word "Tennessee" to strike out "(portion)" and to insert "(lot No. 30 and one-half of lot No. 32 on Caroline Street)."

The amendment was agreed to.

The next amendment was, on page 2, line 21, after the word "Texas," to strike out "(portion)" and to insert "(lots Nos. 44 and 55, section 1, Galveston, Tex.)."

The amendment was agreed to.

The next amendment was, on page 3, line 1, after the word "Maryland," to strike out "(portion)."

The amendment was agreed to.

The next amendment was, on page 3, line 8, after the word "Florida," to strike out "(portion)" and to insert "(north portion, 10.6 acres)."

The amendment was agreed to.

The next amendment was, on page 3, line 10, after the word "Florida," to strike out "(portion)" and to insert "(north portion, 10 acres)."

The amendment was agreed to.

The next amendment was, on page 3, line 15, after the word "Virginia," to strike out "(portion)" and to insert "(that portion lying between the right of way of the Chesapeake & Ohio Railway and Virginia Avenue in the city of Newport News, and the said right of way of the said Chesapeake & Ohio Railway and the county road in the county of Warwick, and between Forty-ninth Street in the city of Newport News and the lands of the Old Dominion Land Co.)."

The amendment was agreed to.

The next amendment was, on page 3, line 23, after the word "Florida," to strike out "(portion)" and to insert "(all but 552,000 square feet reserved for a fire-control station)."

The amendment was agreed to.

Mr. FLETCHER. We are now considering only committee amendments?

Mr. WADSWORTH. That is all.

Mr. FLETCHER. I have an amendment to offer. I do not know whether it belongs properly in any of the items we are now considering or not.

Mr. WADSWORTH. When the committee amendments shall have been disposed of, then, of course, the bill will be open to further amendment.

Mr. FLETCHER. Very well. I shall offer my amendment after the committee amendments are disposed of.

Mr. HARRISON. Mr. President, I desire to ask the chairman of the committee a question. As I understand the bill, it relates to certain old forts or parcels of land owned by the War Department which they no longer need, and it provides for the sale by the War Department of these properties. I am led to ask the question because I notice the bill covers a piece of land lying on the coast in Mississippi, the property known as Ship Island, where there is an old fort. I would very much dislike to see that property fall into the hands of some land speculator. What are the provisions in the bill with reference to such a matter? Would the State or the municipality first have the right to purchase the property before somebody else?

Mr. WADSWORTH. Mr. President, section 5 of the bill covers the point raised by the Senator from Mississippi. It reads:

After 90 days from the date of the approval of this act, and after the appraisal of the lands hereinbefore mentioned shall have been made and approved by the Secretary of War, notification of the fact of such appraisal shall be given by the Secretary of War to the governor of the State in which each such tract is located as to such lands not to be turned over to other departments, and such State, or county, or municipality in which such land is located shall, in the order named, have the option at any time within six months after such notification to the governor to acquire the same or any part thereof which shall have been separately appraised and approved upon payment within such period of six months of the appraised value thereof.

Mr. HARRISON. With reference to the particular piece of land upon which this fort is located, which is some 10 miles out from the coast, it not being within a municipality, the nearest municipality to this particular fort could not acquire it?

Mr. WADSWORTH. Yes; it could.

Mr. HARRISON. It is not necessary then that the parcel of land be within the municipality; it may be merely near the municipality?

Mr. WADSWORTH. It might be an island adjacent to a municipality, which they would care to buy or which the State of Mississippi could purchase.

Mr. LENROOT. It would depend wholly upon the powers of the municipality, of course.

Mr. WADSWORTH. Entirely so. It would be up to the local authorities.

Mr. JONES of Washington. It might be necessary to have a special session of the legislature before the year had expired, or else the governor probably could not act. The governor, of course, could not act within the time fixed in the bill if the legislature should not be in session. He would have to call a special session of the legislature or not be able to act. Did that phase of the matter occur to the Senator from New York?

Mr. WADSWORTH. That point had not been brought out. The bill gives a total of nine months from the date of the passage of the act to the completion of the purchase by a State or municipality.

Mr. JONES of Washington. Our legislature will adjourn in a few days and it will not meet again for two years. There are several of these tracts in our State, and while I do not know whether the State would desire to purchase them or not, it ought to have the opportunity to do so without the necessity of the governor calling a special session of the legislature.

Mr. WADSWORTH. May I make this suggestion to the Senator from Washington? There is a very proper comity between the Federal Government and the governments of the various States. If such a situation arose in the State of Washington and the Governor of Washington or the appropriate authority of that State notified the Secretary of War that the State might be in the market for a future purchase, but was not in a position to complete the negotiation of the matter for another year, there is no doubt in my mind that the Secretary of War would postpone an auction sale of the property.

Mr. JONES of Washington. With that suggestion properly appearing in the RECORD, that would probably take care of the situation.

Mr. WADSWORTH. It would be a very unusual case for the Secretary of War to deliberately ignore the governor of a State in such a situation.

Mr. JONES of Washington. It would probably require subsequent legislation by Congress, because the time would have expired within which the governor could make the purchase, as I understand the terms of the bill.

Mr. WADSWORTH. He must exercise his option within that period or the Secretary of War may sell.

Mr. JONES of Washington. The Senator thinks that even after the time has expired within which the governor can exercise the option, if the property is not disposed of, he can come in and make his proposal to the Secretary of War?

Mr. WADSWORTH. Yes; that is my judgment.

Mr. FLETCHER. He must come in and at least make a bid of some kind. That would perhaps take care of the situation.

Mr. JONES of Washington. If the governor should suggest to the Secretary of War that such were the situation, the Secretary of War would not dispose of it to anybody else until the governor was in a position to make a definite proposal?

Mr. WADSWORTH. Yes.

Mr. FLETCHER. I do not like to take issue with the Senator, but my own opinion is that the Secretary of War is bound by the limitations of the bill and could not extend the time if he wanted to do so.

Mr. JONES of Washington. But the Secretary of War might refuse to complete a sale until Congress would have the time, at any rate, to act upon the request of the governor of a State, which it, no doubt, would do.

The reading of the bill was resumed.

The next amendment of the Committee on Military Affairs was, on page 4, line 8, after the word "Florida," to strike out "(portion)" and insert in lieu thereof "(portion comprising the east end of Santa Rosa Island)."

The amendment was agreed to.

The next amendment was, on page 4, line 15, to strike out "Screven, Fort, Ga."

The amendment was agreed to.

The next amendment was, on page 4, line 18, to strike out "(portion)" and insert in lieu thereof "(the detached lot fronting on Whitehead Street between Louisa and United Streets in the city of Key West, Fla.)."

The amendment was agreed to.

The next amendment was, on page 4, line 22, to strike out "(portion)" and insert in lieu thereof "(all but a plot of 37 acres at Three Tree Point, reserved for the Engineer Corps)."

The amendment was agreed to.

The next amendment was, on page 4, line 25, to strike out "Two Islands" and insert in lieu thereof "Marsh Islands (opposite Powder House Lot Military Reservation)."

The amendment was agreed to.

The next amendment was, on page 5, line 1, to strike out "(portion)" and to insert in lieu thereof "(that portion north of the right of way of the Atchison, Topeka & Santa Fe Railroad, 9.502 acres)."

The amendment was agreed to.

The VICE PRESIDENT. This completes the amendments of the committee.

The reading of the bill was concluded.

Mr. JONES of Washington. Mr. President, I desire to ask the chairman of the committee a question. I note on page 4, line 21, the following language:

Three Tree Point Military Reservation, Wash. (all but a plot of 37 acres at Three Tree Point, reserved for the Engineer Corps).

I may say that I did not know we had a military reservation known as the Three Tree Point Military Reservation. I know where Three Tree Point is, and there is a lighthouse station on it. Can the Senator tell me whether that lighthouse is on the military reservation referred to or not?

Mr. WADSWORTH. I can give a description of the location of the property which is proposed to be sold. It is in the report of the committee, according to which it is located in Wahkiakum County on the right bank of the Columbia River, nearly opposite the east end of Wood Island. It comprises 603 acres and was originally acquired as a part of the reservation from the public domain by Executive order.

Mr. JONES of Washington. I will say to the Senator that it does not cover the point I had in mind. The point I had in mind is on Puget Sound. I have no doubt that the amendment is entirely satisfactory.

Mr. WADSWORTH. There are no improvements on the land. It is vacant land.

Mr. LENROOT. I would like to call the attention of the Senator from New York to section 6 with regard to the question raised by the Senator from Washington. It appears from that section that the Secretary of War must sell within six months. Would it not answer every purpose to strike out the word "shall" and insert the word "may"?

Mr. WADSWORTH. I am perfectly willing to accept that amendment. I think the other members of the Committee on Military Affairs will not object to it.

Mr. LENROOT. I offer the amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 7, line 10, strike out the word "shall" and insert the word "may," so as to make the section read:

SEC. 6. Six months after the date of the notification of said appraisal, if the option given in section 5 thereof shall not have been completely exercised, or after receipt by the Secretary of War of notice that the State, county, and municipality do not desire to exercise the option herein granted, the Secretary of War may sell or cause to be sold each of said properties at public sale at not less than the appraised value thereof, after advertisement in such manner as he may direct: *Provided, however,* That if the property has been advertised and offered for sale on not less than two separate occasions, and no bid equaling or exceeding the amount of the appraised

value has been received, the Secretary of War, in his discretion, is authorized to accept the highest and best bid received.

The amendment was agreed to.

Mr. SWANSON. Mr. President, I would like to ask the Senator from New York regarding the amendment on page 3, line 18, reading as follows:

Newport News warehouses, Virginia (that portion lying between the right of way of the Chesapeake & Ohio Railway and Virginia Avenue in the city of Newport News, and the said right of way of the said Chesapeake & Ohio Railway and the county road in the county of Warwick, and between Forty-ninth Street in the city of Newport News and the lands of the Old Dominion Land Co.).

Who asked for the sale of the property and what is the reason that is offered for the sale at this time?

Mr. WADSWORTH. Because it is of no further use to the War Department.

Mr. SWANSON. What has been the use of it heretofore?

Mr. WADSWORTH. It was a part of the quartermaster's warehouse reservation which was acquired during the war. It is of no further use to the War Department. None of these properties, according to their view, are of any use to the department any longer, and they want to sell them.

Mr. SWANSON. What I want to know with reference to the Newport News warehouse is this: I understand these warehouses and supply depots were leased or sold.

Mr. WADSWORTH. Some of them are under lease to-day.

Mr. SWANSON. I do not know to what extent it is absolutely necessary to have accessibility to the warehouses if the land were sold. I do not know to what extent the sale of this property to some one else might interfere with the use of those warehouses.

Mr. WADSWORTH. It certainly will not interfere. That is the very thing the War Department, of course, would study in all these cases.

Mr. SWANSON. Very frequently matters of this sort go through without full discussion from any source. Some party buys the land, and often the party who has leased the warehouse is embarrassed by not having accessibility to the warehouse. I would like to have the matter go over for a few moments until I can confer with the Congressman from the Newport News district and learn if the sale would interfere with the full use of the warehouse or not. I know nothing about it.

Mr. WADSWORTH. The Senator can get all the facts from the committee report on page 30, where there is a complete description.

Mr. SWANSON. Will the Senator let it go over until I can read the report?

Mr. WADSWORTH. I would like to have a chance to get the bill through. The Member of the House of Representatives from that district will have a chance to have the bill amended in the House if it requires amendment in that respect.

Mr. SWANSON. But very frequently the chance is destroyed when the Senate and the conferees are not in favor of the amendment. I do not know to what extent such a sale might interfere with accessibility to the warehouses there. If it does interfere, I know it is not the desire of anyone there that it be sold. I have asked the Congressman from that district to see me at once, and will let the consideration of the bill proceed until I can confer with him and examine the report to which the Senator has just called to my attention.

Mr. FLETCHER. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. On page 5, after line 6, insert a new section as follows:

SEC. —. The Secretary of War is hereby authorized, directed, and empowered, in the event it be found that any citizen of the United States or the heirs of a citizen shall have for a period of 20 or more years immediately preceding the approval of this act resided upon or improved any part or parcel of the aforesaid designated property and exercised ownership thereof based upon a deed of conveyance heretofore made by one claiming title to such part or parcel, to have such part or parcel so claimed separately surveyed if requested in writing by a claimant within 60 days after the approval of this act and to thereafter convey title to the claimant by quitclaim deed upon payment of $10 per acre or per lot if less than 1 acre: *Provided,* That any claimant who fails or refuses for more than 60 days after the approval of this act to make written application for survey and submit satisfactory record and other evidence required by the Secretary of War to substantiate the claim that he is entitled to a quitclaim deed under the provisions of this section shall forever be estopped from exercising any claim of title or right of possession to the property: *And provided further,* That in carrying out the provisions of this section the Secretary of War shall not incur any expense other than that incident and necessary to surveying and platting such of the property as may be claimed by a citizen of the United States.

Mr. FLETCHER. Mr. President, I will state in connection with the proposed amendment that there are only one or two of this kind of reservations. I think over near Pensacola some of the reservations are occupied in places by people who have been there for a great many years. They have never been disturbed during that time. They have some claim of title or a deed of some kind based upon a claim of title. The amendment would give those people a chance. Where they have actually been in possession of a lot, for instance, 20 years or more, claiming under some deed or conveyance, the Secretary of War is empowered to convey by quitclaim to those people that lot on the payment of a nominal sum, say, of $10.

It is only for the purpose of protecting the rights of actual settlers for a period of some 20 years or more on some portions of these small reservations that the provision is offered. I think it is perfectly fair and just. I believe the department would not have any objection to the provision at all. It would simply take care of that situation where there may be here and there someone occupying a lot or lots in portions of the reservation under some claim of title, who have been living there and occupying the land as their home for 20 years or more. If there are no such cases, of course, that ends the matter. They must assert within a period of six months' time their right to their claim and make their showing. If the showing complies with the provision for proof of actual possession for a period of 20 years or more under a claim of title or some evidence, then I think the Secretary of War ought to be authorized to adjust the matter by giving them a quitclaim deed to the piece of property actually occupied for that period of time and claimed under some kind of evidence of title.

I can not see any harm in that. I do not believe it would interfere at all with the disposition of the other portions of the reservations. It would protect a few settlers on some portions of these reservations who have been there occupying them and claiming them under a deed of some kind for a period of 20 years.

The Government is to be involved in no expense except simply to make the survey of the particular plot or lot that is so occupied and claimed; and upon a proper showing of facts the Secretary of War is authorized to make the deed. I think the Government would incur no material cost, and it would be according justice to actual settlers whose numbers are very limited. They have been living on these places and have had their homes there for over 20 years.

In case the Government should proceed to sell the entire reservations without regard to these settlers or any of their rights, I think the fact of their actual possession for that period of time would interfere with the sale and would reduce the amount the Government might otherwise receive. I think there will be no loss to the Government in the matter, and it would be simply discharging a real obligation and doing the right thing for people who are actually occupying certain lots. I ask that the amendment may be agreed to.

Mr. WADSWORTH. If I may do so, I accept the amendment.

The VICE PRESIDENT. Without objection the amendment is agreed to.

Mr. SWANSON entered the Chamber.

Mr. WADSWORTH. The Senator from Virginia has just returned.

Mr. SWANSON. Mr. President, the Representative in Congress with whom I have conferred, and I have not had an opportunity to examine the amendment of the committee carefully. It may be entirely proper or it may not be. I shall, however, agree to the adoption of the amendment, feeling satisfied that if reasons should later develop showing the amendment to be inadvisable the Senator from New York will not insist on its remaining in the bill.

Mr. WADSWORTH. I will say to the Senator from Virginia that these properties were surveyed and sold in 1921 or 1922, and no protest at all against their sale has ever reached us.

Mr. SWANSON. There are some warehouses located there which might be affected; but I am satisfied to permit the amendment to be agreed to, and I am sure that if I can later show that its adoption interferes with those warehouses very materially the Senator from New York will not insist on the retention of the amendment in the bill.

Mr. WADSWORTH. I thank the Senator.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SENATOR FROM NORTH DAKOTA

Mr. GOFF. Mr. President, it was agreed on yesterday that upon the return of the junior Senator from Mississippi [Mr. STEPHENS] the Committee on Privileges and Elections would call up Senate Resolution No. 104, relating to the right of Mr. NYE to a seat in the Senate. I have been informed, however, that the junior Senator from Mississippi can not reach here until Thursday next. I have arranged with the Senator from North Dakota [Mr. FRAZIER] to let this matter go over until Thursday morning after the morning business. I now state that I shall move to proceed to the consideration of the resolution and shall present it to the Senate as a question of the highest privilege at that time.

The VICE PRESIDENT. By unanimous consent the consideration of the resolution referred to by the Senator from West Virginia is postponed until the time indicated by him.

THE WORLD COURT

Mr. LENROOT. I move that the Senate proceed to the consideration of Senate Resolution No. 5 in open executive session. In connection with the motion I wish to make a brief statement. In view of the fact that it was expected that the North Dakota election case would be considered to-day, I anticipate that there will not be enough Senators desiring to speak upon the subject of the World Court to occupy the day. I shall not, therefore, press the matter beyond the time the Senators are ready to speak to-day. I hope to-morrow, however, the Senators who desire to address the Senate will be prepared to do so.

The VICE PRESIDENT. The question is on the motion of the Senator from Wisconsin.

The motion was agreed to; and the Senate, in open executive session, resumed the consideration of Senate Resolution No. 5, providing for adhesion on the part of the United States to the protocol of December 16, 1920, and the adjoined statute for the Permanent Court of International Justice, with reservations.

Mr. BRUCE. Mr. President, I should be grossly recreant to my profoundest convictions and feelings if I did not give the pending resolution my unfaltering and unqualified support. The United States of America that satisfies my patriotism is not an isolated, self-centered land which enjoys all the national privileges and blessings attendant upon great wealth and power but is unwilling to assume its just share of the burdens and responsibilities of the family of nations. Rather is it the land which, after attaining a degree of material strength and prosperity unexampled, perhaps, in human history, holds out to itself no ideal less lofty than that of the moral leadership of human civilization. Ever since the League of Nations was established I have been entirely in sympathy with it, and, if this were merely because, as a Democrat, I contracted the color of the last Democratic national administration, I should think myself far less deserving of respect than I trust that I am. Indeed, I was a supporter of the League to Enforce Peace, of which the Republican ex-President, Taft, was the head, before the League of Nations came into being. I have always thought that the views of that other Republican ex-President, Roosevelt, as to the means by which the authority of the league should be maintained were peculiarly sagacious and sound. He did not believe, as Lord Robert Cecil seems to do, that, in executing its aims, it can dispense with force. He felt that just as a city must have its policeman and a Commonwealth its soldier to preserve law and order, so the League of Nations, to make its mandates good, must have its international police force or army; and so do I also feel. There is little, if any, peace in the world that is not commanded. I have always listened with pleasure and instruction whenever that famous Republican lawyer and statesman, Elihu Root, has brought his searching intellect and kindling imagination to bear upon the practical problems involved in The Hague conferences of 1899 and 1907, the covenant of the League of Nations, and the World Court. All honor, too, to those other able and faithful Republican champions of a closer international concert between us and foreign nations for the higher interests of humanity, like former Secretary of State Hughes, former Attorney General Wickersham, and President Hibben, of Princeton University, who, in one field of effort or another, have unweariedly endeavored to reduce the occasion for international warfare.

I can truly say that to me it is not a cause for partisan exultation but for the deepest, bitterest disappointment that such illustrious Republicans as Taft, Root, and Hughes should have abandoned the firm ground upon which the League of Nations was founded to wander off after such a deceitful will-o'-the-wisp as the spectral association of nations conjured up by the Republican managers of the Harding presidential campaign. Now that they have found to what a false footing that mocking lure has brought them, I can not but hope that, as Republicans, they may yet voice their real convictions, with respect to the League of Nations, as frankly as we Democrats are now voicing our approval of the Harding-Hughes-Coolidge World Court.

And not only am I willing to give full credit to the Republicans, of whom I have been speaking, for what they have done to promote the cause of world peace, but I am even willing also to admit that in the promotion of that cause the Democratic Party has its errors of judgment to answer for. That Woodrow Wilson had the fervid idealism, the elevated range of vision, and the rare gift of expression to interpret the larger significance of the World War as no other man of his day had the capacity to do can not in my opinion be justly denied; but in the end, in his struggle with his antagonists at home, factious or otherwise, over the League of Nations, he suffered a defeat which he could have avoided, if only he had not insisted so uncompromisingly upon complete victory. As I see it, in the fury and smoke of the contest, extraordinary leader of men as he was, he lost his bearings and allowed his zeal to outstrip his discretion. If he had but had a little more of that sober balance of judgment, that commonplace measure of human prudence which induced the Allies to enter into the armistice without taking the risk of an actual invasion of Germany, his Flodden might have been his Bannockburn, and he might have passed down to history as not simply the real founder of the League of Nations, as he undoubtedly was, but also as the successful intermediary between it and the United States. That he should not have accepted the reservations forced upon him by Henry Cabot Lodge and his associates has always been a source of true regret to me. All of those reservations would probably have been accepted by the nations which constituted the membership of the league at that time; none of them, it seems to me, would have fatally impaired the efficacy of our adhesion to the league, and if any of them were not really based upon durable objections, it is fair to suppose that as time went on they would have been done away with by the proper amendment or amendments, suggested by practical experience.

Under the provisions of the pending resolution our entry into the World Court would be attended by some highly significant reservations suggested by what are believed to be the demands of our national security, and our entry into the league might well have been accompanied by analogous safeguards.

So you see that I do not take up the pending resolution in a partisan spirit, or with any disposition even to hold the Republican antagonism to the League of Nations exclusively responsible for the fact that the United States is not now one of its members. Moreover, I have gladly acknowledged the debt that the cause of world peace owes to the personal convictions of the individual Republicans whom I have mentioned. Nor do I think that any useful purpose would be served on this occasion by censuring the policy that the Republican Party as a party has pursued since the Paris peace conference in our foreign relations. Let that pass for the present. Everywhere in the United States good men and women, whether opposed to our entry into the league or not, are crossing party lines and eagerly aiming to aid their President in his effort to conduct the United States into the World Court, and I believe it to be my duty as an American, jealous of the dignity and fair fame and mindful of the lasting interests of my country, to strike hands with him at this time and to render him all the assistance that my voice and vote can do.

In one respect, of course, I am entirely free from the embarrassment in which the Republican adherents of the President in this Chamber find themselves involved. Their first purpose seems to be to establish the fact that the Harding-Hughes-Coolidge World Court is not an infant that is being palmed off on them by the League of Nations. They wish to be assured beyond the possibility of a reasonable doubt of the independent individuality of their own child. But all the subtleties that they have brought to bear upon this inquiry are to me, as a Democrat and a sincere advocate of our participation in the League of Nations, as meaningless as the old theological dispute between the Homoousians and the Homoiousians. As the chief priest and elders said to Judas when he confessed his sin in having betrayed the innocent blood, we Democrats in our loyalty to the league might well say to our Republican friends of that inquiry, "What is that to us? See thou to that." The more readily the features of the League of Nations can be seen in the face of the Harding-Hughes-Coolidge World Court, the better I like the child. In

this respect I feel just a little as Benjamin Harrison did in the Continental Congress when the political timidity of Jonathan Dickinson in dealing with the mother country, led him to declare that the only word in one of the cautious papers of that Congress of which he did not approve was the word "Congress." "The only word in that paper of which I approve," retorted Harrison, "is the word 'Congress.'" To me, far the best thing about the present World Court which is proving such an effectual ally of international concord is its connection, however limited, with the League of Nations; but, as I have intimated, this is neither here nor there for the purposes of the present discussion. I am willing to acquiesce in any Caesarean operation that may honestly be thought necessary by Republican obstetrics for the separation of the World Court from the womb of the League of Nations. I am even willing that its lineaments should be a little disfigured as those of a child kidnapped by a Gypsy band are sometimes said to be to prevent recognition.

To save the Union Lincoln was willing to save it with or without the institution of slavery, and if, under the circumstances, I can only save a good, working world court out of the wreckage of the high hopes, shattered by the failure of the United States to take its true place with the other civilized powers which are striving to keep down international warfare, I shall be delighted. In other words, I am for the World Court with or without the League of Nations; preferably with it but cordially even without it. All that I ask is that the present World Court be not so transformed by our reservations that the nations which are now members of that court will be unwilling to admit us into it; and in weighing the possibility of this result we should not forget that the other great civilized powers of the earth have lost to a considerable extent their eager desire that we should become a party to the international concert which they have so successfully established. There was a time when they were willing to pay almost any price for our entry into the League of Nations. The influence that our vast wealth and stupendous power could exert in the maintenance of universal peace was, of course, manifest to them, but it is only fair to them to remember that they counted also upon the strength that would be brought to the league and its exalted aims by our passion for liberty, by our humanitarian temper, by our love of peace, and by our faith in those democratic institutions which are its only real bulwark.

But recently there has been a noticeable change in the attitude of the present members of the league toward us. They have grown tired of waiting for us to fill the vacant chair that they have kept for us. They have found that they can get along without us much better than they thought. They have found that, even without our aid, war can be nipped in the bud before it unfolds its crimson flower by the League of Nations. They have learned that, without our aid, the Permanent Court of International Justice can enter up judgments in international controversies and render advisory opinions at the request of the council or assembly of the league which command implicit obedience or unmurmuring acquiescence. They have learned that international pacts of far-reaching importance to the peace of the world can be formed at Locarno as well as at Washington. Before long our good President, should he be so imprudent as to attempt to call another Washington conference, may expect to be reminded in polite, but firm, language that it is 3,000 miles from Europe to the United States and that the distance from the United States to Europe is no greater. In other words, the Republican practice of dealing with the league through unofficial Paul Prys and busybodies has broken down; so has the idea of our passing by bleeding Europe, like the selfish Levite, or pouring oil and wine into her wounds like the good Samaritan, according as it suits our pleasure to do so or not. Europe, engaged in the greatest political experiment that has ever been made by the human race and lost to all present hope of receiving our assistance in bringing it to a successful issue, is no longer in a mood patiently to put up with airs of condescending patronage on our part or praises from our own lips of our own perfections. Nothing will now content it short of some actual concrete proof of our willingness to work hand in hand with it for the success of the mighty institutions—far the most august and beneficent that mankind has ever originated—for holding in check the baleful curse of war. If there is any man left who believes that the enlightened powers which come together at Geneva from the four corners of the earth for the purpose of warding human progress can be induced by Russia, Thibet, or the United States to desert those institutions for some phantom association of nations screened in an American presidential campaign, he should be placed under the mandate, to borrow an expression from the covenant of the league, of some saner fellow citizen. Fortunate shall we be if in adhering to our selfish isolation, even to the point of standing aloof from the league and court, that have been erected by the rest of the world for the purpose of ending international butchery, we shall not finally arouse a sentiment of settled hostility toward us in every civilized land.

In supporting the pending resolution I am, of course, entirely conscious of the degree to which it falls short of committing us to the full extent of what I believe to be our international duty. Nothing, in my judgment, can do that except membership in the League of Nations. The World Court has no power to frame any international policy; no authority to devise any scheme of national disarmament, or to impose any social or economic boycott upon any quarrelsome country or to subject any such country to military pressure.

Those are the functions of the league. Even if it were an executive body, like the league, it could exercise no jurisdiction over any international controversy without the consent of both parties to it, except as respected such nations as have accepted its authority as compulsory; and among these nations are neither Great Britain nor Japan nor Italy nor France, except conditionally. But it is not an executive body. Its jurisdiction is limited to the decision of justiciable questions and the rendition of advisory opinions only; in other words, it is a mere court of justice, and a court of justice, at that, with no political means of its own for enforcing its mandates. Obviously, useful as such a body is so far as it goes, it could no more perform the office of the league than the Supreme Court of the United States could perform the office of the President or the office of the Congress. It is only as an auxiliary of the league, empowered to render decisions and advisory opinions which the league has the organs to carry into effect, that the World Court dilates to its full measure of dignity and utility.

Moreover, it is manifest that at the present time public opinion in the United States, however friendly to that court, is not prepared to accept its jurisdiction as compulsory. Nor is the fact to be overlooked that there is nothing to prevent the United States now from agreeing to submit any international controversy to which it is a party to the decision of the World Court or to arbitrators selected by the parties from The Hague arbitration panel or in some other way. Nor, notwithstanding the superiority, for evident reasons, of judicial to arbitral methods of settling disputes, individual or national, does it necessarily follow that, even if the United States entered the World Court, it would prefer as an instrument of justice a court composed in part of judges drawn from the less advanced and enlightened members of the family of nations to an arbitral tribunal selected from two or three of the most advanced and enlightened States of the World.

I say this much because I am not willing to express any belief in the utility of the World Court more emphatic than I honestly feel. At the same time I believe that the entry of the United States into the World Court would be a matter of momentous consequence both to us and to the rest of the world. To begin with, it would renew our connection with the nobler past, from which we have for some time been estranged. One of the most striking of our characteristics as a people has been our will to peace, our readiness to subject our national claims to the test of reason rather than of war. It is true that we have always been prepared, when war was unavoidable, to meet it with a degree of firmness and efficiency which, whatever its shortcomings, has at least never failed in the end to bring victory to our arms; and we have not altogether escaped the lust of territory which has inflamed the military ambition of older nations; but, on the whole, no great power in history has ever been so free as the United States from the guilt of aggressive warfare. Even prior to the late Paris peace conference, by Congressional resolutions, by suggestions of our State Department, by earnest and conspicuous work during The Hague peace conference of 1899 and 1907, by innumerable submissions to arbitration, and by the negotiation of many arbitration conventions, we had shown how completely in harmony we were with the idea of composing international disputes by peaceful methods.

As has been repeatedly pointed out, the cardinal object of policy that McKinley and Roosevelt, Hay and Root set before our delegates to The Hague conferences was a World Court for the settlement of international differences, made up of a permanent corps of able and experienced judges, guided in the discharge of their duties by legal principles and rules of procedure, and surrounded in all respects by the conditions essential to the exercise of a truly judicial spirit. This conception has at last been realized in the present World Court, of which an American, John Bassett Moore, is one of the brightest ornaments. Among the persons who shaped its actual

structure was the distinguished statesman, Elihu Root, whose influence has been so potent in creating the public opinion that made its existence possible; and it was through, or mainly through, his happy suggestion that the judges of the court should be selected by the concurrent action of the council of the league, in which only the greater States of the world are represented, and the assembly of the league, in which both the greater and smaller States of the world are represented, from a list of names, supplied by The Hague arbitration panel, that a means was found for allaying the jealousy which has made the smaller States unwilling to unite with the larger in establishing a World Court through the action of The Hague conference of 1907. It ought, therefore, to be a source of pride to us all that the pending resolution should seek to bring the United States within the pale of an institution so distinctly American, in its origin, in many respects, and so congenial with what is best in the American genius as the present World Court.

In the next place, our entry into the World Court would give to the rest of the world the definite assurance that our great influence as a Nation would, thenceforth, at least as a member of that court, be exerted in behalf of world peace. That assurance can never again mean as much to other lands as it would have meant during the crucifying period, immediately after our refusal to ratify the Covenant of the League of Nations, when the cry that came to us from across the Atlantic was little less agonizing than that of Mount Calvary, "Lama Sabacthani, why hast thou forsaken me?" Without attempting to apportion the blame for that refusal, it is to me a thought almost too painful for words that no matter under what circumstances, or to what extent, we may hereafter become a party to the present world concert for preserving world peace, we can never again hope by doing so to win for ourselves the mighty guerdon of national honor and prestige that we would have won if we had promptly ratified the Covenant of the League of Nations with or without reservations. But the restoration of Europe is not yet so far advanced, her future is not yet so clear that our entry into the World Court would not prove still another strong invigorating cordial to her in her effort to meet her present necessities, and to provide against a recurrence of the fearful catastrophe that caused them. It would constitute our first formal, official connection with the institutional arrangements, devised by human civilization, after the World War for the outlawry of aggressive war, the amelioration of labor conditions, and the repression of crimes and diseases of world-wide scope. It would bring additional strength and standing to the court. It would secure a still higher measure of respect for its decisions and a still prompter measure of obedience for its decrees. It would tend to expedite the codification of international law, which has been proposed by at least one great American lawyer, David Dudley Field, and has obtained wider favor in the United States, perhaps, than in any other civilized country. It would doubtless tend also to hasten the adoption of those enlightened principles of neutrality which American statesmanship has always championed so zealously.

In the third place, the entry of the United States into the World Court would doubtless be eventually followed by its entry into the League of Nations, and I have no wish to conceal the fact that this result would be a source of supreme gratification to me, though I am perfectly honest when I say that, even could I lift the veil of futurity and see that the United States will never become a member of the league, I should still earnestly support the pending resolution. Better that we should adhere to the World Court only than to no international agency at all for the conservation of international concord. As it is, I think that the entry of the United States into the World Court would break the ice of our national aloofness, so to speak, and would so habituate our country to the idea of cooperating with the other great powers of the world for the maintenance of world peace that it would finally become inclined to assume the same general measure of responsibility for world peace as they.

In other words, with our participation in its proceedings, the World Court would probably work so smoothly and successfully that the desire would spring up in the breast of the American people to be not only a party to the statute by which it was created but also a member of the world-wide league, which is clothed with both the duty and the power of compelling wrangling nations to submit their disputes to the decision of the World Court or to arbitration or to the council of the league.

More than one special reason has been recently urged why we should not enter the World Court. One, if I may borrow a term from the philosophy of evolution, is that the World Court contains in its structure too many vestigial proofs of its league origin. My answer to this is that so long as I am not asked to share the folly of requesting the 48 nations which are now parties signatory to the World Court statute to improvise a new court altogether, for the purpose of satisfying our national scruples, I am willing, if I can not secure our adhesion to the World Court on any other terms, to go as far as I am likely to be solicited in good faith to go toward excising from the structure of that court every rudiment of its league parentage. In a letter penned by the Senator from Idaho [Mr. BORAH], which was published in the Christian Century on February 5, 1925, he said:

> If I could bring myself to believe that the World Court is the kind of a tribunal which would really serve the cause of order and peace and become an agency for order and law in international affairs, I should not for a moment oppose it because the league had to do with its creation.

Transposing these words, I am prepared to say that, believing as I do that the World Court is that very kind of a tribunal, I shall not for a moment oppose it, because it may by reservations, as respects the United States, be completely or all but completely detached from the League of Nations.

Now, if never before, the notion that the other great civilized powers of the world can be induced even by their earnest wish to have the United States become a party to the World Court to organize a new court to take the place of the existing one is too abstract to deserve grave consideration. We need no better proof of that than the collapse of the plans severally brought forward by the late Senator from Massachusetts, Mr. Lodge, the Senator from Pennsylvania [Mr. PEPPER], and the Senator from Wisconsin [Mr. LENROOT], for the creation of a different electoral agency for the election of the judges of the World Court from that prescribed by the World Court statute. In an effort to establish some kind of new world Court the United States, it is safe to say, despite its high pretensions with respect to the Monroe doctrine, could not induce even a solitary member of the sisterhood of American countries to unite. Neither Mexico nor Ecuador have ever indicated any wish to enter either the World Court or the League of Nations on any terms. They ought to be set down, therefore, by the extreme opponents of those institutions in this country as endowed with an even more enlightened instinct of self-protection than the United States. On the other hand, Canada, though, so far as invasion is concerned, she is protected not only by the power of the British Empire but by the power of the United States as well, has entered both the World Court and the League of Nations. Indeed, the President of the last assembly of the league was a Canadian—Raoul Dandurand—a distinction of which any statesman of our own country might well be proud. The presidency of an earlier assembly, you will remember, was filled by a citizen of Cuba. And, with the exception of Mexico and Ecuador, there is no Central or South American country which is not a member of the League of Nations; and with the exception of Mexico and Ecuador, Argentina, Guatemala, Honduras, Nicaragua, and Peru, there is no Central or South American country which has not signed the World Court protocol. The idea that the Western Hemisphere is to be a hermit hemisphere wholly disassociated, except for selfish purposes, from the eastern, is an idea too contracted, too unfeeling, too unwise, to receive the approval of the statesmen of those countries, inferior to our own statesmen as they may be deemed to be by some of our extreme isolationists. I, at least, was not surprised, a few days ago, when Chile was said to have filed a protest with the secretary general of the league, charging that General Pershing was unduly dilatory in fixing the date for the plebiscite in the Tacna-Arica controversy. I do not doubt that the time will come when the Latin communities of this hemisphere will be far more disposed to look to the League of Nations than to the Monroe doctrine for their security.

Another claim is that our entry into the World Court should be conditioned upon the adoption of an international agreement outlawing all war between nations. In my humble opinion, the importance of this idea, from a practical point of view, has been very much exaggerated. International warfare is by no means all warfare. We should remember that there is also such a thing as civil warfare, domestic warfare, intestine warfare, arising out of internal insurgency or rebellion, which often the national authority can quell only with an army. It not infrequently happens, too, that one nation may, almost without a word of warning, invade another and that the country invaded may find it necessary to repel the invasion with military force. The only kind of warfare, therefore, that could reasonably be made the subject of outlawry is aggressive warfare waged by one separate country against another; and so far as

such warfare is concerned, paper proclamations or conventions of outlawry would not seem to be anything like so efficacious as the provisions of the covenant of the League of Nations which, in case a member of the league refuses to submit a controversy to which it is a party, and which may lead to war, to judicial decision or arbitration or the action of the council of the league, empower the other members of the league to compel obedience to the covenant of the league by an economic boycott or, if indispensable, even by military coercion. Provided that war between nations is actually treated by that covenant as an outlaw, I can not see that we need concern ourselves much about its being declared such by any other instrument.

Another claim is that our entry into the World Court should also be conditioned upon the codification of international law. As to this claim, it is enough to say that at the present moment a committee of distinguished lawyers appointed by the Council of the League of Nations, of whom former Attorney General George W. Wickersham is one, is engaged in making a preliminary survey of this task. This committee furnishes but another illustration of the fact that it is not to Washington conferences but to the league that the world turns now whenever there is anything to be done for the promotion of world peace. I might add that a series of 30 projects or draft conventions prepared by the American Institute of International Law, and covering what Charles E. Hughes has called "The *American* International Law of Peace," has recently been submitted to the governing board of the Pan American Union. But while there is no such thing at this time as a code of international law by which all the civilized powers of the world have expressly agreed to abide, there is, and for many years has been, a body of international law reflecting, except in some particulars, the universal assent and approval of the world, which is recognized by all civilized countries as morally binding upon the conscience of mankind, and is frequently enforced in the judicial tribunals of civilized countries and in no judicial tribunals more firmly than our own. By the express terms of the World Court statute it is provided that the World Court shall apply international conventions, whether general or particular, establishing rules expressly recognized by the contesting states, international custom, as evidence of a general practice accepted as law, and the general principles of law recognized by civilized nations. What this means ought to be as manifest to us as to any people in the world.

The existence of the law of nations was recognized by us as long ago as 1787 in the provisions of the Federal Constitution which empower Congress to define and punish offenses against the law of nations. In 1796, in the case of Ware *v.* Hylton (3 Dallas 199, 227) the Supreme Court of the United States had occasion to apply this law, which, it said, fell under three heads: The general, the conventional, and the customary law of nations. The first is universal, is founded on the general consent of mankind, and is obligatory upon all nations. The second is based on express consent, and binds only those nations which have assented to it. The third is based on tacit consent, and also binds only those nations which have adopted it.

Some years later, in the case of the 30 Hogsheads of Sugar *v.* Boyle (9 Cranch, 191), Chief Justice Marshall spoke of the law of nations as—

> the great source from which we derive those rules respecting belligerent and neutral rights which are recognized by all civilized and commercial States throughout Europe and America. This law—
>
> He said—
>
> is in part unwritten and in part conventional. To ascertain that which is unwritten we resort to the great principles of reason and justice; but as these principles will be differently understood by different nations under different circumstances we consider them as being in some degree fixed and rendered stable by a series of judicial decisions. The decisions of the courts of every country, so far as they are founded upon a law common to every country, will be received not as authority but with respect. The decisions of the courts of every country show how the law of nations in the given case is understood in that country, and will be considered in adopting the rule which is to prevail in this.

As late as the year 1895 Mr. Justice Gray in delivering the opinion of the Supreme Court in the case of Hilton *v.* Guyot (159 U. S. 113, 163) declared that international law in its amplest sense is part of our American law and must be ascertained and administered by the courts of justice as often as such questions are presented in litigation between man and man, and duly submitted to their determination.

> The most certain guide, no doubt, for the decision of such questions—
>
> He said—
>
> is a treaty or a statute of this country; but when, as is the case here, there is no written law upon the subject the duty still rests upon the judicial tribunals of ascertaining and declaring what the law is whenever it becomes necessary to do so in order to determine the rights of parties to suits regularly brought before them. In doing this the courts must obtain such aid as they can from judicial decisions, from the works of jurists and commentators, and from the acts and usages of civilized nations.

Some years later the Supreme Court, when dealing with the seizure by American war vessels at the beginning of the Spanish-American War of certain Spanish fishing craft, said:

> By an ancient usage among civilized nations, beginning centuries ago and gradually ripening into a rule of international law, coast fishing vessels, pursuing their vocation of catching and bringing in fresh fish, have been recognized as exempt with their cargoes and crews from capture as prizes of war.

The paquete *Habana* (175 U. S. 677). This doctrine the court recognized only after tracing its history back to its earliest origin through the writings of students, the decrees of English kings, treaties between monarchs, ordinances of the French kings, standing orders of the British Admiralty, the treaty of 1785 between the United States and Russia, and the treatises of Kent, Wheaton, Halleck, Wharton, Calvo, DeCussy, Ortolan, DeBoeck, and Fiore.

Some objection has also been made to the office performed by the World Court in rendering advisory opinions in relation to disputes or questions referred to it by the Council or the Assembly of the League of Nations. Of course, as the Senator from Montana [Mr. WALSH] has so convincingly shown, this office comprehends only disputes or questions of a legal or juridical nature, and none of any other kind have ever been entertained by the court. Intrinsically, there would certainly appear to be nothing gravely objectionable in such an advisory function. On the whole, it may be best that the jurisdiction of every court of justice should be limited to actual controversies between litigants. Unquestionably there is much to be said for that view; and in deprecating the exercise of advisory authority by the World Court, I do not understand either John Bassett Moore or Elihu Root to have gone beyond it. Nevertheless, it is a fact that even in nine States of the Union—Alabama, Colorado, Delaware, Florida, Maine, Massachusetts, New Hampshire, Rhode Island, and South Dakota—the judiciary may be called upon by the legislature or the executive to render merely advisory opinions as distinguished from judicial decisions. Indeed, there are both English and Canadian precedents for this practice. Nor can it be denied that in forming its opinion upon any dispute or question referred to it by the council or the assembly of the league it is the habit of the World Court to hold as formal a hearing and to institute as thorough an investigation as if it were sitting for the purpose of delivering a judicial decision. In one instance it has declined in the exercise of its discretion to render an advisory opinion when requested to do so. Moreover, it is a fortunate thing that the League of Nations should have in the World Court a legal adviser with far more prestige and authority than any ordinary staff of legal experts could possibly have. Sound advice from such a learned and highly respected body of jurists might well save the league many a false step in the exercise of its executive powers. The real objection, I imagine, to the delivery of advisory opinions by the World Court is referable to the fact that article 14 of the covenant of the hateful league declares that the World Court may give an advisory opinion upon any dispute or question submitted to it by the council or the assembly of the league; but, as the Senator from Wisconsin [Mr. LENROOT] has said, the right of the World Court to render such an opinion is not derived directly from article 14 of the covenant, but from section 36 of the World Court statute, which says that the jurisdiction of the court comprises all matters especially provided for in treaties and conventions in force, among which, of course, the covenant of the league is one.

At this point, therefore, let me declare that I am deeply gratified by the opportunity that the pending resolution affords the United States to join hands with the most highly civilized nations of the world in an effort to substitute an international court of justice for war as a means for settling international differences. I agree with President Hibben, of Princeton University, in thinking that to do that is the minimum that we owe to the cause of world peace at the present time; and why we should hesitate to do at least that much is more than I, at any rate, can understand; though I have not forgotten the famous injunction of Oxenstiern, the Swedish minister, to his son: "My son, go out into the world, and see

with what little wisdom it is ruled." As I have already declared, the World Court is really an American idea; and even if we should enter it, we should not be obliged to submit to it any controversy in which we were interested, unless we chose to do so. Surely we need no present reminder of the supreme importance of some world-wide institution, organized for the purpose of protecting mankind against the tragedy of war. Only seven years ago the World War swept over the face of the globe, leaving in its wake some 10,000,000 of dead human beings, 20,000,000 of crippled human beings, and vast legacies of debt, of which no Member of this body will ever see the end. Ahead of us is the fact that unless war can be held in check by some international coalition it is only a question of time when some other Cæsar's or Kaiser's spirit, with Até by his side, come hot from hell, will cry "Havoc," and let slip the dogs of war.

It is true that, in spite of our attitude of selfish seclusion, the other civilized powers of the world may be able, unassisted by us, to make the world safe for democracy everywhere, including the United States, which has always been supposed to be its most powerful stronghold. If so, the soul of our own people might well despise a safety bestowed upon them only by the foresight and energy of other nations wiser and more magnanimous than they. But should the scourge of war again descend upon the greater part of Europe for the lack of an international agency to arrest its descent, nothing could be more illusory, more fatuous, than the idea that we might escape its horrors. In point of fact, even before the world, through increased means of intercommunication, devised by modern invention, became so small, we found it impossible to keep clear of European wars. As early as the latter part of the eighteenth century we were drawn into the war of that day between England and France, though France had but recently been our cherished ally. In 1812, too, we were drawn a second time into a war between England and France, though we almost lost our self-respect before we could be induced to take up arms against England. Even during our Civil War nothing but an apology in the *Trent* affair kept us from being involved in another war with England; and never did a people strive more resolutely to keep out of a war than did we to keep out of the World War.

I was a member of the National Democratic Convention which nominated Woodrow Wilson to the Presidency for the second time. The prayer by which that convention was opened was a solemn invocation to the spirit of peace; peace was the burden of the address delivered by its preliminary chairman; peace was the burden of the address delivered by its permanent chairman; and through all the proceedings of that convention ran the words "He [meaning Woodrow Wilson] kept us out of war." Believing that men were crying "Peace, peace," when there was no peace, I more than once felt like reaching out for my hat and vacating my seat in that convention for once and all. What was the result? That mighty hymn of peace kept Woodrow Wilson in the Presidency, but it did not keep us out of war. The futility of our efforts successfully to preserve our neutrality when the swords of foreign nations are flashing and clashing over our ships at sea was again illustrated. In the course of a few months outrage after outrage was committed upon the property rights and lives of our citizens, which simply made it impossible for us, as a self-respecting people, not to go to war. Let another war involving some of the great powers of Europe break out, and the same train of influences would, in all human probability, produce practically the same consequences. Again deadly wounds would be inflicted upon our commerce with foreign nations; again a great volume of indignant remonstrance would ascend from our people; again we would be inditing diplomatic notes to which no satisfactory answers would ever be returned; again we would mobilize the youth of our country to die in battle or in the military hospitals; again we would be sending 2,000,000 or more soldiers across the submarine-infested seas to lousy and blood-stained trenches on the European Continent; again, if victorious, we would be distributing vast sums in military bonuses and pensions; again we would place an enormous burden of taxation upon the productive energies of our country. The truth is that since the day when Jefferson warned us against forming any entangling alliances with foreign nations, the steam car, the steamship, the telegraph, the telephone, and the radio apparatus have worked a profound change in the size of the globe. Hemisphere has been brought closer to hemisphere, continent to continent, and mainland to mainland. The briefest time in which Benjamin Franklin could hope to cross the Atlantic in a sailing vessel was 30 days; now a steamship makes the same crossing in five or six days. When the British invaded the United States during the War of 1812, each of their ships could transport only some 250 soldiers at a time to our shores. During the recent World War as many as 8,000 American soldiers were occasionally conveyed to Europe in a single ship. Europe is no longer 3,000 miles from the United States; it is just across the ferry from it. Japan is no longer 5,000 miles from the United States; it is just across the lake from it. The earth has become the smallest of all the satellites that revolve about the sun—smaller than the red planet Mars, smaller even than the swift-footed planet Mercury. A fleet of airships has recently circled the globe, after covering a distance of 28,000 miles, and spending only 371 hours in the air; a Zeppelin has lately passed from the Swiss border to the United States in 81 hours; one of our daily postal airships traverses the 2,680 miles between New York City and San Francisco in about 34 hours. We might still be able to take Jefferson's advice, and keep aloof from entangling alliances with foreign nations in time of peace, but we can not hope to keep aloof from hostile contacts with one or the other of two great European belligerents when engaged in a deadly grapple with each other.

The only way in which we can hope to do that is to enter into an alliance with the entire civilized world for the purpose of shielding the entire world against war. And even such an alliance would not be effective for that purpose unless it were endowed with the proper working organs. Many persons talk of peace as if it depended merely on the will to peace; but, of course, it does not. The thought of the "good gray" poet, Whittier, that "Peace unweaponed, conquers every wrong," is an inane dream. Peace can not be secured simply by crying, "Peace, peace," even though that word were shouted in stentorian relays of sound all the way from the Antarctic Circle to the Arctic. Peace has, in its own unaided spirit, no miraculous efficacy like the hem of Christ's garment to bless and to heal. It is quite true that a majority of the people in every civilized land are earnestly averse to war. From what I have heard from friends who were in Germany on the eve of the Great War, the majority even of the German people at that time, despite the despotic ascendancy of their military caste, were opposed to war. It was only because, as Shakespeare says, "Never alone did the King sigh but with a general groan"; that when they found themselves hurried into the World War by this caste they ceased to take counsel of anything except their patriotism.

But the spirit of international peace to be firmly maintained between nations must be institutionalized, just as the free spirit of the American people to prevail must find expression in a President, a Congress, a Supreme Court, an Army and a Navy, a State militia, and a city police force.

In other words, to make its influence really felt, world opinion in favor of world peace must be organized. At the present time there is indubitably a peculiarly strong international prepossession against war. Indeed, perhaps never in the history of the world, ancient or modern, has this feeling been so widespread or so potent. In every truly civilized land the will to war has been displaced by the will to peace. The whole world realizes that if there should be another World War, marked by even more devilish agencies of havoc and death than the last, there would be left nothing for humanity to do except to heed the advice of Job's wife and to "curse God and die." If man is destined again to become involved in such a vast and hideous orgy of bloodshed as the World War, I, for one, trust that the Deity will destroy him, and try his hand at fashioning another and a better being in his stead.

Who would have supposed that seven years after the World War Germany would enter into a treaty by which she would relinquish forever all claim to Alsace and Lorraine, and by which Great Britain and Italy would agree that in case of aggressive warfare waged upon France by Germany or upon Germany by France they would take up arms against the aggressor; or that, within the same brief space of time Germany would be on the point of entering the League of Nations? When she does enter and commits the present democratic spirit of her great people to the vow of international amity set forth in the covenant of the league all her former foes, elated with the consciousness of a far nobler triumph than that sealed at Versailles, may then well exclaim in the words of Milton, "Peace hath her victories no less renowned than war."

Personally I do not doubt that in a few more months some plan will be formed under the auspices of the League of Nations by which the armaments of its members will be reduced to the lowest practicable limits; though, as an American, I for one should be ashamed to see a conference for such a purpose held at Washington at the instance of our country if it still lacked the vision or the courage to meet the full measure of its continous responsibility for world peace. Now, in the providence of God it has even come about that the world sentiment in favor of universal peace, to which I have referred, has

been embodied in a world league and a world court, which between them provide both the judicial and executive instrumentalities through which that sentiment can effectually be employed for the preservation of world peace. If our counsels are still too timid and irresolute, or still too deeply biased by factious considerations, to permit us to enter the world league, by all means let us at least enter the World Court, even though by limiting our cooperation to that we should leave to a bolder spirit than our own the duty of enforcing its decrees through the league. Then we might hope that when a Republican administration was invited by the members of the league to participate in an international conference for the furtherance of disarmament it might be induced to pursue some foreign policy just a little less timorous than that of a mouse which has courage enough to project its head beyond his hole, but not enough to withdraw his tail from it, too.

In discussing the pending resolution I have endeavored to do so with as little temper as possible. I have been dogmatic enough to say that I could not understand why we should hesitate to enter the World Court merely, nor when I remember how closely in keeping with our past traditions such a step would be, and how free we would be to submit a controversy to which we were a party to the World Court or not, as we pleased, can I understand why any Member of the Senate should believe that we should not enter the World Court simply because in some respects it is related to the League of Nations. That it owes its immediate origin to a statute initiated by the league; that it is in a sense the judicial organ, the agent of the league, and a working part of the same political system as it, this I do not deny. The truth is that the predominance of the league at the present time in the field of international cooperation is so commanding that all international agencies for the promotion of peace which amount to anything must necessarily be affiliated with it in one degree or another, and that any world court but the World Court now actually sitting at The Hague under the aegis of the 55 civilized powers which make up the league belongs to lunar rather than to sublunary politics; but I do deny that the origin, the organization, or the functions of the World Court are such as to make it unduly subservient in any way to the influence of the league, and if I do not follow this denial up by arguments and illustrations, it is only because the Senator from Virginia [Mr. SWANSON], the Senator from Wisconsin [Mr. LENROOT], and the Senator from Montana [Mr. WALSH] have saved me the need for doing so. Aside from the reservations contained in the pending resolution the World Court enjoys all the independence of the league that is requisite for the untrammeled exercise of its duties, but with those reservations how could anyone doubt that such would be its status so far as the United States would be concerned? The real issue in this debate is not whether the World Court without the reservations of the pending resolution, but whether the World Court with those reservations is too closely related to the league.

I should, however, be possessed of a strongly prejudiced mind did I not see how any American might reasonably object to our entry into the World Court if he were hostile to the League of Nations and honestly believed that our entry into the court would probably prove but a preliminary step to our entry into the league. The World Court is only a judicial institution. The league is a political institution backed by sanctions, including military sanctions, which impose no small measure of responsibility upon its members. Our entry into the World Court would really involve no departure from our national traditions with respect to the amicable settlement of international disputes. It only institutionalizes in a juridical manner the practice of international arbitration to which we have always been so conspicuously addicted; but, unquestionably, though as I look at it most acceptably, our entry into the League of Nations would involve a grave departure from the traditions of our foreign policy. There has been a time in the history of the United States when even a coalition between us and all the other great civilized powers of the world for the purpose of keeping down war would have been generally obnoxious to our national instincts. Our idea then was to live off to ourselves in a secluded corner of the world, to refrain from all intermeddling with the political activities of Europe, and to ask in return that she refrain from attempting to acquire a permanent foothold in any part of the Western World. The putting off, then, of the United States from America to Geneva would have seemed almost as adventurous as the putting off of Columbus in 1492 from Palos to the Indies. But, as I have already said, in the course of recent events, our relations to Europe have been totally revolutionized by the march of human invention, and I might add by the altered temper of the world with respect to war. It is true that there has been more than one sanguinary conflict between nations within the last 50 years, and it is likewise true that one of these wars, the World War, in waste of blood and treasure, surpassed any war in human history; but there is comfort in the thought that the destructiveness of modern wars is not due to any increase of animal ferocity in the heart of man, but merely to the fact that latter-day science, including chemical science, latter-day industrialism, and latter-day capacity for mobilizing practically the entire population of the State for the purposes of war have fearfully augmented the ability of nations to battle effectively. It is not too much to say that it is the widespread and lethal nature of modern war that has brought the civilized nations of the world to the conclusion that war is now accompanied with too appalling losses of life and money to be tolerated any longer. Savage and backward communities are still quick to take up arms, but despite the stupendous armaments which the great civilized powers of the world still maintain these powers have lost the primeval stomach for fight which belonged to more barbarous ages than ours. As I see it, the will to peace which has been such a striking sequel of the World War is but another and a nobler stage in the evolution of human society. While man, as Darwin has said, still bears in his anatomical structure indelible proofs of his lowly origin and is still solicited strongly by the appetites and passions of his savage state, yet it can not be denied that, responding to the inherent laws of his being or to "some far-off, divine event to which the whole creation moves," he has from the beginning of human existence been ascending from lower to higher and higher levels of moral and spiritual achievement.

I say nothing of his advance in material comfort and luxury, because, unless attended by corresponding improvement on the immaterial side of his nature, that means but little. The true miracles that have been wrought by human progress have been wrought in the nature of man himself, in his conscience, in his soul. From a brutish, fetish worshiper, a groveling idolator, a blind bigot, he has become a free and enlightened creature. Religious superstition, witchcraft, human sacrifices, cannibalism, gladiatorial shows, human slavery, piracy, the duello, innumerable political and social abuses have all melted away in the light of human advancement, but one supreme conquest of man over himself remains to be achieved. Until he shall have curbed international warfare as he has curbed domestic crime, it will be but arrogance for him to deem himself a consummately civilized human being. To accomplish that is the highest object that humanity can set before itself to-day. At this moment it is the object upon which its attention is riveted most earnestly, and faithless, in my opinion, to the great opportunities that God has bestowed upon it, would the United States be if famed as it has been for its generous love of liberty, its hatred of aggressive warfare, its quick human sympathies, its respect for human rights, its tenderness for human suffering, its lofty national ideals, it were, nevertheless, from lack of feeling or courage to refuse to unite with the other members of the great brotherhood of nations for the purpose of settling international controversies by the calm voice of human reason and justice, speaking through the organs of a permanent tribunal of international justice rather than by the cruel and insatiable edge of the sword.

ESTATE AND GIFT TAXES

Mr. FLETCHER obtained the floor.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Florida yield to the Senator from Kansas?

Mr. FLETCHER. I yield.

Mr. CURTIS. I move that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, the motion is agreed to. The Senate is now in legislative session.

Mr. FLETCHER. Mr. President, I ask unanimous consent to offer some views with respect especially to the estate-tax provision in the revenue bill, being House bill 1. I recognize it is a little premature, but the revenue bill is being considered by the Senate Committee on Finance and I have some matters which I wish to submit both to the committee and to the Senate in regard to the estate-tax provision of the bill. I therefore ask permission to proceed now to do so, somewhat out of order.

The PRESIDING OFFICER. Without objection, the Senator from Florida will proceed.

Mr. FLETCHER. Mr. President, I wish to submit some observations on my proposed amendments to House bill 1.

I have moved to strike out Title III, estate tax, page 141, and to repeal all estate tax laws and also all laws laying gift taxes.

Section 301 (a), page 141, provides:

In lieu of the tax imposed by Title III of the revenue act of 1924, a tax equal to the sum of the following percentages of the value of the net estate (determined as provided in section 303), is hereby imposed upon the transfer of the net estate of every decedent dying after the enactment of this act, whether a resident or nonresident of the United States.

Paragraph (b), page 143, provides:

The tax imposed by this section shall be credited with the amount of any estate, inheritance, legacy, or succession taxes actually paid to any State or Territory or the District of Columbia, in respect of any property included in the gross estate. The credit allowed by this subdivision shall not exceed 80 per cent of the tax imposed by this section, and shall include only such taxes as were actually paid and credit therefor claimed within four years after the filing of the return required by section 304.

Section 304, page 154, provides:

(a) The executor, within two months after the decedent's death, or within a like period after qualifying as such, shall give written notice thereof to the collector. The executor shall also, at such times and in such manner as may be required by regulations made pursuant to law, file with the collector a return under oath, in duplicate, setting forth (1) the value of the gross estate of the decedent at the time of his death, or, in case of a nonresident, of that part of his gross estate situated in the United States; (2) the deductions allowed under section 303; (3) the value of the net estate of the decedent as defined in section 303; and (4) the tax paid or payable thereon; or such part of such information as may at the time be ascertainable and such supplemental data as may be necessary to establish the correct tax.

(b) Return shall be made in all cases where the gross estate at the death of the decedent exceeds $50,000, and in the case of the estate of every nonresident any part of whose gross estate is situated in the United States. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he shall include in his return a description of such part and the name of every person holding a legal or beneficial interest therein, and upon notice from the collector such person shall in like manner make a return as to such part of the gross estate.

The Federal estate tax has always been regarded as an emergency measure, necessitated by war.

In the last analysis the Federal estate tax was a war measure and has been sustained as such. (Inheritance Taxation, third edition, Gleason and Otis.)

It has always been abandoned soon after the war.

The Federal Government can impose two kinds of taxes—what are called direct and indirect taxes.

From 1796 until 1895 it had been understood that direct taxes included only poll taxes and taxes on land. (Hylton *v.* U. S., 3 Dallas 171; Springer *v.* U. S., 102 U. S. 586.)

Then—1895—came Pollock *v.* Farmers Loan & Trust Co. (157 U. S. 429) (5 to 4 decision), wherein it was held that—

direct taxes within the meaning of the Constitution included taxes on personal property and the income of personal property, as well as taxes on real estate and the rents or income of real estate.

This conclusion was fatal to the income tax act of 1894.

Then came the sixteenth amendment proposed by Congress to the legislatures of the several States in 1909, which was ratified and took effect in 1913.

That amendment did not extend the Federal taxing power to new or excluded subjects, but merely removed any occasion for the apportionment among the States of taxes levied on income, whether it be derived from one source or another. (Peck *v.* Lowe, 247 U. S. 165.)

The sixteenth amendment conferred no new taxing power. (Stanton *v.* Baltic Mining Co., 240 U. S. 103, 112.)

This amendment has not changed the rule that Congress has no authority to tax the interest on municipal bonds. State agencies and instrumentalities are still exempt where they are of a strictly governmental character.

It is true now, as it has always been, as expressed in Cooley's Constitutional Limitations, seventh edition, 684:

There is nothing in the Constitution which can be made to admit of any interference by Congress with the secure existence of any State authority within its lawful bounds. And any such interference by the indirect means of taxation is quite as much beyond the power of the national legislature as if the interference were direct and expressed.

NOT UNIFORM

The question, then, is: Is paragraph (b) of section 301 of the bill repugnant to Article I, section 8, clause 1, of the Constitution?

Indirect taxes—duties, imposts, and excises—must be uniform throughout the United States.

In Knowlton *v.* Moore (178 U. S. 41), the Supreme Court held the word "uniform" to be synonymous with "to operate generally throughout the United States."

There are two States—Florida and Alabama—under the constitutions of which no inheritance tax can be imposed by them.

Nevada has repealed her inheritance tax law as of the 1st day of July, 1926.

An estate in Florida, Alabama, and Nevada will pay no inheritance, succession, or estate tax to the State. An estate in any other State will pay such tax to the State in amounts which vary according to the laws of those States.

This provision of the proposed act would therefore not operate generally throughout the United States.

TO PROMOTE UNIFORMITY

The national committee on inheritance taxation, whose recommendations are being followed in this bill, frankly said in their report, page 29:

If Congress will enact a law carrying rates which impose a reasonable burden upon estates and will allow 80 per cent credit for taxes paid to the several States, there will be a strong incentive for all the States to promote uniformity by adjusting their rates so as to realize neither more nor less than the amount credited on the tax payable to the Federal Government.

Of course, if the States realize no more than the amount credited on the tax payable to the Federal Government, the latter would simply do the work of collecting the tax for the States.

If they realize less, the Federal Government would in that case receive something for its trouble and expense.

That report says, page 129:

This provision would thus have a far-reaching effect in promoting uniformity among the States.

We would then have a tax imposed which the Constitution says shall be "uniform," the main purpose of which is "to promote uniformity among the States."

This is a new limitation not found in the Constitution. Where is the authority of Congress to lay taxes to promote legislative uniformity among the States?

The kind of "uniformity" it will inevitably promote will be to cause all the States which can or will have any inheritance tax laws to raise their present levies or change their laws so as to provide for the collection of such taxes in amounts equal to 80 per cent of the Federal tax.

The Federal Government assumes to compel or induce, at least, the States to impose burdens on their taxpayers and placate them by saying they will have credit on the Federal taxes to the amount they pay their States.

The best evidence of that is just what has taken place.

The revenue act of 1924 allows a credit of 25 per cent, and we find New York, Pennsylvania, and Georgia amending their laws already to take advantage of this credit now granted.

It is expected at the next sessions of the legislatures other States will do the same thing unless this bill passes with this provision, in which case they will raise the limit to 80 per cent of the Federal tax.

This provision is to be held as a club over the States to coerce them into changing the inheritance tax laws which their people want, in order to have them provide for death taxes equal to 80 per cent of the Federal tax.

This committee, after a thorough study of the whole subject, in a more illuminating and convincing way, presents forcefully their view:

Under the generally accepted theory inheritance taxes are impost or excise taxes upon the right to transmit property at the death of the owner. This right is granted and controlled by State law and not by the laws of the United States. The right of the Federal Government to levy the estate tax exists under what is known as the excise tax power conferred by the Constitution of the United States. Since, however, the laws of the United States neither grant nor control the right of transmission the Federal act has not the same logical basis of justification that exists in the case of State inheritance tax laws.

Although a Federal inheritance tax law was passed as early as 1797, the Federal Government has resorted to this method of raising revenue only under pressure of emergency caused by war, and heretofore the taxes have been repealed as soon as the pressure was removed. The statute of 1797 was repealed in 1802; a second statute was in force from 1862 to 1870; a third from 1898 to 1902, whereas the present statute enacted September 8, 1916, after several amendments, still remains in force. This field, therefore, in the past has been left, except in war emergencies, entirely to the States, and the present encroachment by the Federal Government seriously affects State revenues.

The Federal Government is better able to give up this object of taxation than are the States.

The largest annual collection from the estate tax since its adoption in 1916 was $154,043,260.39 in 1921, as will appear from Table II, Federal estate tax receipts for the years 1917 to 1925, inclusive. The receipts during the fiscal year ended June 30, 1925, were only $101,421,766.20, or 3.9 per cent of the total internal revenue receipts. Federal expenditures, including interest on the public debt, are decreasing annually and should continue to decrease. It is estimated that the present financial status will permit an immediate tax reduction of several hundred million dollars, which would permit the repeal of the Federal estate tax and still leave a large reduction to be applied to such other sources of revenue as Congress might determine.

If 80 per cent of the Federal tax will be credited on the estate taxes hereafter, it is doubtful if the Government will realize $20,000,000 annually from this source.

Clearly it is not "to pay the debts and provide for the common defense and general welfare of the United States" that the estate tax provision is included in this bill.

We are reducing revenues $350,000,000 in this bill. The war has been over seven years; it is proposed to credit certain taxpayers 80 per cent of estate taxes when they pay that much in the States.

The estate tax is not authorized, in such circumstances, by the Constitution.

It would not be imposed because the revenue is needed. We are giving up revenue by the millions under the terms of this bill.

It would not be laid for the purposes required in the Constitution.

The committee mentioned were right when they reached the unanimous conclusion that the Federal tax should be repealed. They should have stopped there, omitting "that the repealing act should not become effective until at the expiration of six years from its passage."

Notwithstanding Knowlton *v.* Moore (170 U. S. 41) and New York Trust Co. *v.* Eisner (256 U. S. 345), the fundamental principles keep thundering in our ears and knocking at our reason, that the separate States are sovereign and independent and the Federal Government has only limited, delegated powers.

If this estate tax is imposed, not for the purposes mentioned in the Constitution, but rather for the purpose of coercing the States into uniformity of legislation satisfactory to the Federal authorities, if the tax is imposed for other than the uses for which it is authorized, or is arbitrary, or without basis for classification, it is repugnant to the Constitution. The fifth amendment would come into play in such case.

The people of Florida and of Alabama and of Nevada have the sovereign right to determine to what extent and by what method they will tax their people and lawfully provide the necessary revenues required by their governments, respectively. The United States has no authority to interfere with or embarrass them. No individual or set of individuals can properly question the motives or the wisdom of the people of those States in dealing with their domestic affairs.

Under our dual system of government the sovereignty and independence of the separate States within their spheres are as complete as the sovereignty and independence of the Federal Government within its sphere. Neither can interfere with or encroach upon the other. (Railroad Company *v.* Penniston, 18 Wall. 5, 20.)

The possibility of imposing the will of the Federal Government upon the State, or of one State or a group of States upon another State, with respect to her internal affairs, is the very thing which the founders of the Republic sought most carefully to avoid.

Here the Federal Government proposes to credit certain taxpayers in every State, except three, with a portion, up to 80 per cent, of this estate tax. The sole object and purpose of this provision of the bill is to bring economic pressure to bear in a way to embarrass these three States in respect to their revenue laws and compel them to get into accord with other States and impose upon their people inheritance tax laws whether they want them or not.

Had it been understood in 1787 that a grant of taxing power to the General Government involved such a curtailment of State independence it is very doubtful if even a few States could have been persuaded to ratify the Constitution.

Here is what Secretary Mellon said in March, 1924, as reported:

Inheritance taxes are properly sources of revenue for the States. They are a material element in a State budget; they are a comparatively small element in the Federal Budget. To deprive the States of this source of revenue, properly their own, is to compel the States to increase taxes and to resort to their principal source of income, which is levies on land. The far-reaching economic effect of high inheritance taxes is not properly understood. These taxes are a levy upon capital. There is no requirement in our law, as there is in the English law, that the proceeds from estate taxes shall go into capital improvements of the Government.

In other words, capital is being destroyed for current operating expenses, and the cumulative effect of such destruction can not help but be harmful to the country. Again, estates have to be liquidated to the extent necessary to provide for taxes, and the forced sale of property and securities tends to bring down not only the value of such property and securities, but values everywhere. The ultimate effect of this is to bring down the very values upon which the tax is levied, and ultimately to destroy the productivity of the tax both to the State and to the Federal Government.

The provision that State inheritance taxes may be credited to the Federal tax to the extent of 25 per cent is in effect a partial payment by the Government to the States of the inheritance tax collected by the Government and works a discrimination between States having different rates of tax.

In hearings before the House Ways and Means Committee when this bill was being prepared, October 19, 1925, Secretary Mellon said:

ESTATE TAXES

It is the opinion of the Treasury that the Federal estate tax should be repealed. The reasons for this position have been frequently stated, but I can summarize them as follows:

There is no logical basis for the Federal Government collecting this tax. The right of inheritances is controlled by the States, and the Federal estate tax is based only upon the theory that to transmit property by death is the exercise of a privilege which can be made subject to taxation, just as we might levy a tax on the privilege of selling property. The present law, with its 40 per cent maximum, has not been before the Supreme Court and the question has never been determined as to whether or not you can confiscate a large part of the property through a tax on the exercise of the privilege of transferring it. Would a sales tax be constitutional which took the bulk of the property sought to be sold? The States are confronted with no such question. They alone control inheritance. I raise this point simply to show that the tax is one belonging to the States and not to the Federal Government.

Estate taxes have always been a source of emergency revenue. It is only in war periods that the Federal Government has made use of them, and, except in the present case, they have always been repealed when the emergency ended. They should be saved for this purpose. We ought not to use our reserves in time of peace. We may need them badly when the next emergency arises. There is no emergency now.

Taxation by the Federal Government is going down, and that of the States going up. The States need every source of revenue available. In the majority of States the Federal tax directly decreases the property which the State can tax. For example, if an estate pays $1,000,000 of tax, this is deducted from the net value of the property on which the State percentage is levied. The States get no tax on the value represented by what the Federal Government has taken. Aside from the direct loss of revenue to the States there is an indirect loss. The present muddle of death taxes in this country could in some cases take more than 100 per cent of what a man leaves. Excessive Federal taxes contribute largely to this muddle. The result must be that ultimately values are destroyed, and with them the source from which the States must take revenue.

Under considerably lower rates the Federal estate tax once yielded about $150,000,000 a year revenue. This has gradually dropped off to $100,000,000, last year's revenue from this source being slightly below that of the year before. It is quite within the revenue requirements of the Government to eliminate this tax. If not in one year, certainly the rates might be materially cut in 1926, and the whole tax repealed in 1927. The revenue collections from this tax will exist for some time after the law is repealed. Taxes are not payable until a year after the death of the decedent. There are extensions of payment beyond that date without interest, and further extensions with interest. The result is that a repeal of the act effective January 1, 1926, would not be reflected at all in revenue collections until after January 1, 1927, and then revenue from tax would gradually diminish for the next four or five years. So an immediate repeal would not affect the revenue of the fiscal year 1926, and but half of that of 1927.

He also says, page 353, "The gift tax should be repealed," and gives cogent reasons therefor.

No one can escape the impression that it is very unjust and unfair legislation to permit certain States to have the benefit of deductions from the Federal inheritance taxes which do not apply to other States. The State having the highest inheritance taxes gets a preference over those having lower rates. A State having no inheritance tax at all has to pay a penalty. Under existing State legislation, inheritance taxes are imposed

on a basis of widely varying percentages, and the State having the highest percentage (not exceeding the limit in the Federal revenue act) can derive more revenue from this source than other States which have a lower percentage.

In some States the rate of inheritance taxes is fixed by the Constitution, which it would take a long time to amend. In any event, it is apparent that much time must elapse before the legislatures of all of the States can bring their rates of inheritance taxes up to the minimum exemption allowed under the Federal law. The constitutions of some States do not permit inheritance taxes, and these States would be at a disadvantage unless and until their constitutions be amended.

Moreover, if Congress should hereafter repeal or amend this exemption now proposed to be inserted in the Federal act, it would disturb the situation and require a new series of laws or constitutional amendments all over the United States to reestablish harmonious relations between the Federal and State laws. Such a situation would result in serious embarrassment and inconvenience, to say the least.

Without arguing the wisdom of an inheritance tax as a means of raising revenue, the purpose of the proposed provision in this bill is that it shall result in practically compelling every State to adopt an inheritance tax. More than this, it would seem to tend to the result of compelling every State to have a minimum inheritance tax sufficiently large to absorb the credit allowed by the pending bill. This would appear to be a violation of the States' rights. It is a rather subtle but very effective system of bringing about or forcing State legislation. Whether one believes in an inheritance tax or not, it is a subject on which each State ought to be left to adopt its own policy without being penalized or favored by congressional action.

There are those who object to inheritance taxes of any kind, because they believe they open up a limitless field of State exaction which gives an opportunity for wasteful appropriations and for public expenditures which are unnecessary and improvident. The fact is that there is no limit to income or inheritance taxes, and when they are started they may result in increased appropriations which year by year raise the States' necessity for money and correspondingly increase the rates of income and inheritance taxes.

At any rate, it is a question for each State to deal with as it deems best and sees fit. It is not a field the Federal Government should occupy in peace time. The President recognizes that, and he also indicates the purpose of the Government in holding onto this source of revenue for the present. In his message to Congress of December 8, the President said:

> Estate tax rates are restored to more reasonable figures, with every prospect of withdrawing from the field when the States have had the opportunity to correct the abuses in their own inheritance tax laws; the gift tax and publicity section are to be repealed, etc. (Page 4 of message.)

The effort to force the States to levy an inheritance tax by having the Federal Government impose such a tax, and then deduct 80 per cent of it from the amount paid the State, is most amazing.

Florida and Alabama are the only two States which impose no inheritance tax. Nevada will not after next July. Florida's constitution prohibits it. It is proposed to have the Federal Government impose such a tax and, in the case of Florida taxpayers, keep it all, while as an inducement for other States to tax their people the Federal Government will allow certain taxpayers in all States collecting that tax to deduct 80 per cent of the tax so collected from the amount the Federal Government assesses and pay it, instead, to their States.

It means coercion and is indefensible. That the States, other than Florida and Alabama and Nevada, should attempt to force upon the people of those States a local, domestic tax which they in the exercise of sovereign rights have determined they do not approve and will not have is a most astounding proposition. Florida has the right to refuse to impose any inheritance or income taxes on her citizens. No other States, not all the remainder, can compel her to do otherwise, and they ought not to attempt it. To use the assumed power of the Federal Government to that end is unjust, oppressive, and I do not believe will be sanctioned by Congress.

The remission of part of the Federal tax where there is a similar State tax to the extent of such State tax, and no further, and not exceeding 25 per cent of the Federal tax—in the act of 1924—was primarily an innovation. It had no precedent in Federal legislation, and I unhesitatingly say that the precedent itself is indefensible. This bill is an abuse of a vicious precedent. It proposes to increase the credit to 80 per cent of the Federal tax.

The obvious and essential effect is directly forcing by the Federal Congress upon the States and each State of a policy of collecting revenue by and for the State, and further tends to fix the practical limits of such collection by and for the State.

Essentially it is an interference with State policies, those fundamental policies without which one State can not be distinguished from another, without which a State can have no individuality, no autonomy, thus by mere brute force breaking down what little is left to sovereign States, which in the beginning assumed that the protective reservations, expressed and implied, in the Federal Constitution would permit them to retain their individuality at least. This interference is, in my opinion, an unconstitutional infringement in and of itself. In addition, it is unfair and unequal in its bearings upon the different States, seeing that, for a time at least, the States, respectively, can not so modify State legislation and possibly State constitutional provisions so as to come within this largess by the Federal Congress or stay without its penalty. Two or three States prefer not to have any tax of this nature. Whether that policy be good, bad, or indifferent should be left wholly to the State. The theory is that the State should change its methods of collecting such revenue as it may need, or should collect more revenue whether it needs it or not, merely because by doing so the State may obtain a gift from the Federal Government.

I am not presuming to question here the views of anyone who sees fit to conclude that Florida should obtain part of its revenue essential for carrying on its functions from inheritance taxes. My position is that the Congress has no power or privilege under the Federal Constitution to dictate, directly or indirectly, that Florida should obtain its revenue in whole or in part from this source; and that should the Congress, for no reason other than the one of raising Federal revenue, dictate such a policy to Florida or to any State or States, it is entering upon a new line of breaking down State autonomy that is contrary to those fundamentals called "State rights," which should be held sacred.

The transfer of title to property upon the death of a proprietor depends upon the will of the sovereign State. A property holder has the right to devise and bequeath his property only because the State has given him that power. So, also, the right of the children or next of kin to take and enjoy the property of a proprietor, who dies intestate, depends upon the grant of that right by the State. The power to regulate the transfer of title to the property of decedents belongs to the State in which real propery is located or of which the decedent was a citizen.

The Congress of the United States is without power to prescribe rules for the transfer of property lying within the bounds of a State or belonging to one of its citizens. Yet the Supreme Court has held that the Congress may lay a tax upon the transfer of a decedent's property. It is argued that succession to a decedent's lands, goods, and chattels is a privilege, and that the Congress may tax this privilege and make the enjoyment of the right dependent upon the payment of the tax.

As a matter of law, it seems, as the decisions now stand, that it is immaterial that this privilege proceeds entirely from the State and could not be exercised unless the State had granted it. As a matter of comity, however, and in the interest of cordial feeling between the branches of our dual form of government, it is of the first importance that Congress should refrain from laying burdens upon a purely State institution, and not meddle with it save when driven by necessity.

This has been the policy of the National Government in past times; for the power to tax inheritances has been exercised sparingly, and only when there was a pressing need for revenue, as in war times, or in the lean years following a war. The act of September, 1916, was passed when the World War was being waged, and at a time when statesmen of vision foresaw that our country was slowly but surely being drawn into the vortex.

The time has come when the National Government should repeal the estate tax and lift the burden of taxation from the privilege of inheritance, which is peculiarly a domestic institution and creature of the States.

The proponents of the present measure admit that it is no longer necessary for the Congress to tax inheritances in order to obtain needed revenue, and this is apparent in the reductions made in the rates of the income tax. It is still further emphasized by the provision allowing 80 per cent of the tax to be credited where that amount is paid to the State in death taxes. The occasion for continuing this burden upon inheri-

tances is said to be a desire to thereby promote a uniform system of taxation among the several States.

Thus Congress is to establish a system of tutelage by means of this law, and the States are to be instructed how to regulate the exercise of the transfer privilege. Having, under the spur of necessity, invaded a field of taxation which belongs peculiarly to the States, it is proposed to hold on to it after the necessity has ceased in order that the Congress may constrain the States in the exercise of a privilege which they only have the right to confer.

If the Federal Government can collect what it chooses in the way of duty or excise from estates, it may impose a tax of 80 per cent without any exemptions on an entire estate. What would be left for the States? If it can collect 20 per cent and allow a credit of 80 per cent of that, why can it not collect 100 per cent and allow no credit? Or why can it not collect 80 per cent of the net estate and allow a credit of the entire amount?

To say this is unreasonable, I answer, the Government started with a tax of much less but increased it to a maximum of 40 per cent in 1924, and now changes again and proposes a maximum of 20 per cent. It set a precedent of allowing 25 per cent of its tax as a credit and now proposes to make the credit 80 per cent, showing the constantly changing attitude of the Congress and a remarkable example of the uniformity it seeks to promote.

It is pointed out that several of the States have no inheritance tax laws, and it is argued that it would be a fine thing to induce them to adopt measures of this kind.

Apparently no weight is given by these gentlemen to the idea that each State should be allowed to regulate its own internal policy without constraint and to adopt such laws as its own peculiar circumstances render desirable. For example, the State of Florida has no debt and possesses credit balance in its treasury of $7,000,000. To be more exact, the situation is this:

The State of Florida actually owes nothing, and has in its treasury nearly $7,000,000 in cash, but one of its departments holds $601,567 worth of its bonds, with the result that its financial statement shows it to be in debt just that much.

The bonds owned by the educational funds are refunding 3 per cent bonds, issued in 1901 and 1903 to take up 6 per cent and 7 per cent bonds of the State then maturing, which had been issued in 1871 and 1873 and which had been purchased by the educational funds prior to 1901 and 1903. Although the bonds do not mature until 1951 and 1953, the legislature of 1921 passed an act setting aside the interest on deposit of State funds collected by the State treasurer as a sinking fund for the redemption of the bonds as soon as a sufficient amount had accumulated to redeem them at par.

The act became effective July 1, 1921. The Florida bond-sinking fund now owns Florida county and municipal bonds of the par value of $400,500, and in addition thereto the fund now has a cash balance of $7,500 and in another two years should be in a position to retire the entire indebtedness of $601,567.

There is no way to retire the bonds except by paying them off. The legislature could appropriate the difference of approximately $200,000 necessary and retire them now if it were in session, but by the time it meets next, in 1927, the fund will be in a position to retire them without help. Such a State need not impose taxes which another might find it necessary to lay.

It is claimed that uniformity will be secured as the result of the provisions of paragraph (b), section 301, of the new revenue bill. By the terms of this paragraph persons liable to pay a Federal estate tax are to be allowed a credit thereon equal to 80 per cent of the amount of any State inheritance tax which they may have paid a State on the transfer of the same property.

Comparatively few are affected by the Federal estate tax, since it applies only to those estates which exceed $50,000 in value, and the tax is laid only upon the net amount of the estate in excess of $50,000. The vast majority of the people who are to pay State transfer or inheritance taxes would receive no benefit from this proposed provision of the national law.

The States impose transfer or inheritance taxes, as a rule, on estates of the value of $10,000 or less. Comparatively few of the estates subject to State taxation will amount, net, to $50,000 and more in value. Estates having a value of less than $50,000 will get no advantage from the Federal law, since they will not be subject to it. A very few will be entitled to the 80 per cent credit to be allowed by the United States on the tax payable to it, and those few would be much better served by the repeal of the estate tax.

The bill does not provide any reduction on estates of the net value below $250,000. At that point the reduction is small, and the present rates increase as the net values of estates increase. The bill as it stands reduces those increases and limits the maximum to 20 per cent.

Only a small percentage of estates in the various States will reach in net value the amount allowed as exempt under present law and under the pending bill. There would be comparatively few taxpayers on the Federal roll and entitled to credit under the provisions of this section.

A still smaller number of estates will amount to net value of $250,000, at which point this bill begins with a slight reduction, reaching to a maximum of 20 per cent. So that a small per cent of taxpayers in the several States will be affected by the repeal of the entire Federal estate tax.

Those Senators who favor the doctrine of the greatest good for the greatest number will not be inclined to give their assent to this measure because of the bait held out by paragraph (b), section 301, for that paragraph is a delusion in so far as it holds out the promise of any general good.

And those who believe in legislating in the interest of prosperity as such can much better serve that interest by voting for the repeal of the estate tax altogether. A hundred per cent exemption would be better than an 80 per cent exemption.

There is a very strong sentiment throughout the Nation in favor of repealing the Federal estate tax. Many people believe that a matter so purely domestic or local should be left entirely to the regulation of the several States. The President himself has lately expressed himself in favor of noninterference with domestic or local concerns on the part of the National Government and also made specific reference to the estate tax, heretofore quoted.

Senators who vote for the pending measure as it now reads will find it difficult to persuade the advocates of repeal that it was better to vote for a law which gives a certain measure of relief to perhaps 5 per cent of the people of their State and which leaves the matter of the transfer of estates trammelled and embarrassed by the burden of national taxation. As before remarked, the complete repeal of the estate tax will be more agreeable to the 5 per cent who will be affected by it than the partial relief which they would secure from the 80 per cent credit.

It has been claimed that the allowance of this 80 per cent credit will tend to stay the movement of capital into Florida. When it is considered how few the 80 per cent credit affects the fallacy of this idea will be apparent.

As a rule the men who are moving into Florida are not wealthy men, not men of fortune, but men of enterprise and vision who go to Florida to live in comfort and health and acquire fortune. These men are not in the $50,000 class mentioned in this bill but men who have gone to Florida with the expectation of acquiring $50,000.

It is futile to try to stem the natural progress of trade and enterprise under any circumstances, and it is absurd to hope to stem such progress in the slightest measure by the expedient contained in paragraph (b) of section 301.

The State of Florida has never had an income tax law nor an inheritance tax law. It has been the settled policy of the State from the beginning to raise its revenue in other ways. This policy has been pursued without regard to the systems of other States and without thought of its effect upon immigration. Men of wealth and enterprise had come into the State in times past and devoted their energy and fortunes to building up the prosperity of the State. Assuming that Florida's taxing policy had attracted these men, it has proven to be of great advantage to the State and to the men themselves.

It was perfectly fair and reasonable for the State of Florida to make perpetuation of her long-established taxation system secure by means of a constitutional provision and to assure those who had invested great sums of money upon the faith of it that they would in the future have the same protection from taxation as in the past. It may be that the Florida Legislature contemplated that the adoption of the constitutional amendment in 1924 forbidding the imposition of an inheritance tax and an income tax would attract nonresidents and induce them to invest their wealth in the development of the State. At any rate within the last five years millions of foreign capital have been invested in the State and an extraordinary development has resulted.

This paragraph (b) of section 301 is admittedly aimed at Florida, and it is drawn in such form as to require Florida citizens to pay larger inheritance taxes to the United States than the citizens of those States which impose inheritance taxes.

Section 8 of Article I of the Constitution provides "that all duties, imposts, and excises shall be uniform throughout the United States."

There can be no doubt that paragraph (b) of section 301 violates this constitutional provision in spirit, though it may be so artfully drawn as to escape the condemnation of the courts.

It has been repeatedly stated on the floor of Congress that its purpose is as I have stated.

Congress would be establishing a dangerous precedent in using its legislative power to coerce a particular State to change the policy of its laws. And each Member of Congress should recollect that he is also a citizen of a particular State and that the precedent established and now proposed to be emphasized and enlarged in this bill may at some time be used against his own State.

A statement of the death taxes paid in the States is furnished by the committee mentioned.

The entire amount of taxes paid in the States by the few estates not exempt will be credited on the Federal tax in many instances because it will not reach 80 per cent of the Federal tax.

These estates will pay the State tax in States other than Alabama, Florida, and Nevada, plus the Federal tax, less a credit of the State tax not exceeding 80 per cent of the Federal tax. If the State tax equals 80 per cent of the Federal tax, they will pay 20 per cent of the Federal tax more than the taxpayers in Alabama and Florida will pay. If the State tax is less than 80 per cent of the Federal tax, they will pay that and receive credit for it, and pay in addition the remainder of the Federal tax, while the taxpayer in Alabama and Florida will pay only the Federal tax. The exemptions in the States vary. The small property owner will pay the State tax, but he will not be on the Federal list, and therefore will have no Federal tax to pay upon which to receive credit.

The Federal exemption is so high that comparatively few, possibly 5 per cent, of the taxpayers will be on the Federal tax roll and receive credit in the amount of State taxes which apparently will not equal 80 per cent of the Federal tax.

The Government no longer needs the revenue derived from estate taxes.

Bearing on this point I wish to place in the RECORD a statement furnished to the chairman of the committee [Mr. SMOOT] for another purpose, but applicable here, by a most responsible gentleman, not of Florida, not of the South, but nevertheless well informed and accurate.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD.

The statement is as follows:

DECEMBER 16, 1925.

Hon. REED SMOOT,

Chairman Senate Finance Committee,

The Senate, Washington, D. C.

MY DEAR SENATOR: It is asserted in the newspapers that the Senate can not make any further reductions in the pending income tax act without jeopardizing the revenue.

Naturally, in matter such as this, the Congress must, to a very large extent, depend upon information received from the experts from the Treasury Department. All of us who have been in touch with income-tax legislation during the last five years know how honest, able, and conscientious these men are. Unquestionably, they aim to give the committees of both Houses correct information, but, as they should, they naturally lean toward conservatism of statement. It is perhaps largely for this reason that almost without exception their estimates of the amount of revenue to be collected under each particular revision have fallen short of actual results, with the consequence that time has demonstrated that the bills, both of 1921 and 1924, might have contained greater reductions than they actually did. Unquestionably this same thing will be true of the bill now under consideration.

In this connection, I want to bring to your attention, and that of your fellow Senators, something of what may be expected in the way of additional revenue from the South. I represented, as you know, a New York City district in the House of Representatives, and my business headquarters are now in Chicago; but now for nearly six years past I have been an officer of business enterprises of considerable size in southern Mississippi and have attained a certain degree of familiarity with southern conditions.

The present prosperity of the South is something which the North, East, and West do not at all comprehend. Illuminating instances are occurring almost daily. For instance, this week a syndicate of financiers in New Orleans bought out the old-established candy house, Huyler's, in New York City, and in the financing of enterprises located in the South the bankers of New York and Chicago find themselves called on now in practically every instance to compete with the strong banks of the Southern States. Bond issues of southern municipalities which used always to find a market in New York or Chicago now frequently find their best market and the highest price in their home cities.

The whole United States is wondering about Florida; but few realize that the situation there, although undoubtedly exaggerated by speculation, is but a symptom and a part of the general advance throughout the entire South. More than 1,200 important new manufacturing plants, with an investment of more than $400,000,000, were established in the Southern States during 1924, and the 1925 record, when complete, will be at least as good, and probably better. Material values in the South are commencing to be rated at figures corresponding to the long-neglected inherent values. The surplus energy and capital of the Nation has, to a large extent, been suddenly turned en masse to exploitation of the South. It is not rash to prophesy that with this financial assistance, which will be translated into tools, machinery, organization, science, and applied experience, the industrial harvest in the South in the next decade will be the greatest industrial wonder of the Nation, whose history abounds in industrial marvels.

Railroads give some indication of what is happening. The Atlanta, Birmingham & Atlantic Railroad several years ago went into the hands of a receiver. In 1925, in recent months, its net operating income has increased over the net operating income for the same period in 1924 a hundred per cent. Not including the limited Pocahontas region, which during the first 10 months of 1925 earned 7.33 per cent return of income, the railroads in the southern district earned 6.6 per cent, being the only one of the nine railway districts of the country earning as much as the "fair return" of 5.75 per cent fixed by the Interstate Commerce Commission under the terms of the transportation act.

The net operating income of the southern railways for the first nine months of 1925 gained about $20,000,000 over the same period of 1924. For the nine years between 1916 and 1924, both inclusive, the total increase was only about $50,000,000. In other words, the gain during the nine months of 1925 was about 500 per cent greater than the average of the preceding nine years.

Building figures usually substantially reflect prosperity. In the whole South there is no city with a million inhabitants, but in each of the years 1922, 1923, and 1924 the South spent over $750,000,000 in building, and the figures for 1925 will be close to a billion dollars.

Each year since, and commencing with 1922, the South has spent about $300,000,000 a year in new hotels alone. This enormous building progress is having its effect in appreciating real-estate valuations. From 1912 to 1922, the real property valuation of 17 Southern States (including the District of Columbia) increased 88.7 per cent, while the average for the United States as a whole was 61.5 per cent. Florida has multiplied its wealth twenty-two times over since 1880; Texas twelve times; and Virginia seven times.

In 1924 the Southern States had 1,200,000 more automobiles than the whole of the United States had in 1915. The aggregate wealth of the South to-day is four times what it was in 1900, and only $18,000,000,000 less than that of the entire Nation in 1910. Even in 1920, the capital invested in manufacturing enterprises, according to the census of that year, was almost $7,000,000,000, or two and a half times that of the whole country in 1885. The railway investment of the South increased from $2,124,000,000 in 1916 to $2,675,000,000 in 1924. These figures apply only to the South Atlantic and Gulf States—Kentucky, Arkansas, and Tennessee—and do not include Texas. Like figures for 17 Southern States, including the District of Columbia, reached $5,543,000,000 in 1922, an increase of 24 per cent in 10 years.

The South's petroleum production is now one-third of the entire output of the world. In 1923 its production of sulphur was 85 per cent of the world's production, and during the same year it produced 85 per cent of all the tobacco grown in the United States, and one-third of the world's production of tobacco. It is well known that the South is producing 60 per cent of the world's cotton, but not nearly so well known that while the truck raising and horticulture industries are still in their infancy in the South, exports of vegetables and fruits to the North already exceed 500,000 cars a year.

The deposits of Southern banks have increased from $1,700,000,000 in 1910 to $6,500,000,000 in 1923. Between 1910 and 1920 the value of Southern farms practically doubled. The amount of new life insurance written in the South in 1923 was 44 per cent of that written in the whole country as compared with 23 per cent in 1921, and the cotton textile-making spindleage of the South now equals that of the North, and the Southern cotton mills consume 60 per cent of the South's production of cotton. The South has over 100,000 square miles of coal, not very much of which has yet been developed. In connection with the development of building, the consumption of Portland cement in the South jumped from less than 15,000,000 barrels in 1914 to more than 28,000,000 barrels in 1923.

The horsepower of "prime movers" in the Southern States trebled between 1912 and 1922. The bank debits of the Atlanta Federal reserve district are 30 per cent higher than a year ago, indicating that much expansion of the general business movement in the Southeast. No other part of the country showed a comparable increase, but the Richmond district gained 20 per cent. Open-account deposits in the Atlanta district gained 35 per cent from October, 1924, to October, 1925. No other section of the country had a like increase. The value

of southern manufactures increased 37.6 per cent from 1921 to 1923. For the first 11 months of 1925 the Atlanta district bank clearings increased over a like period for 1924 20.1 per cent. The New York district was next with an increase of 14.3 per cent. In November, 1925, the increase of postal receipts over the same month of 1924 were noted as follows: Jacksonville, 52 per cent; Tampa, 44 per cent; Birmingham, 14 per cent; Chattanooga, 16 per cent; Jackson, Miss., 23 per cent; Baltimore, 30 per cent; Memphis, 17; Fort Worth, 19. For the country as a whole the gain was 13 per cent.

Southern building permits were twice as large in October, 1925, as they were in October, 1924. Twenty-six thousand miles of surfaced highways were laid down in the South in 1922 and 1923. Secretary Mellon has recently put the State of Florida in an internal-revenue collection district by itself.

The year 1919 will be remembered as the boom year immediately succeeding the war. The Federal Reserve Sixth District Bank of Atlanta has collected statistics as to building permits in its district. In the table given below, the average monthly figures for the year 1919 are represented by 100, and the current monthly index numbers show the relation of activity to that prevailing in 1919:

Building, permits sixth district	Aug., 1925	Sept., 1925	Oct., 1925	Aug., 1924	Sept., 1924	Oct., 1924
Atlanta	89.4	89.4	76.5	193.0	137.2	153.3
Birmingham	527.6	483.2	480.4	533.5	395.6	760.5
Jacksonville	503.4	575.4	670.0	326.1	138.2	163.4
Nashville	151.1	331.4	105.0	263.1	197.7	109.8
New Orleans	480.9	672.0	236.6	850.3	224.8	325.9
Other cities	894.4	516.0	1,012.8	402.6	222.1	208.9
District (20 cities)	526.6	591.2	567.7	404.5	209.5	250.7

I am not personally familiar with any part of the South except southern Mississippi and, to a certain extent, the New Orleans district. Advances in values in that part of the South have been, if anything, greater than the figures which I have given. The Florida boom has somewhat obscured the fact that there have been tremendous advances in the value of coast property all the way from Florida to New Orleans. In the four Mississippi cities with which I have any familiarity, viz, Gulfport, Hattiesburg, Meridian, and Jackson, values, especially in the business districts, have arisen tremendously. Mississippi, of course, has had two fine crops of cotton in succession, for which the prices have been at least fairly satisfactory. A great deal of the earnings up to 1925 has gone toward the extinguishment of debt; and as this debt included interest, where the debtor lived outside the South, it was not reflected in the income tax from the South, but for 1925 these debts have been greatly reduced or, at any rate, bear a much smaller relative proportion to the earnings of the South, as while many personal debts have been paid off a great deal of the new indebtedness has been incurred for productive enterprise.

I would not be surprised to see the State of Mississippi pay about twice the income tax for 1925 that it paid in 1924, and unquestionably the figures indicate that the income-tax returns from the entire South for 1925 will be greatly increased over those for 1924.

This gives especial emphasis to the almost universal demand from the South for the repeal or reduction of the capital-stock tax. There is no particular objection in the South to paying taxes on realized prosperity, but there is an objection to a tax in the nature of a Federal ad valorem tax on property not measured in any way by the return. Corporations in the South own coal, timber, lands, sugar and rice plantations, cattle ranches, and property of that character, in which the rate of return is frequently small and on which in many instances there are years in which there is not only no return but substantial loss.

There is an intelligent feeling that this country has now reached the point where it can afford to collect its Federal taxes very largely from prosperity and not by burdening losing or even inactive ventures.

The figures which I have given you are, in the main, easy to check up. I have no doubt that your attention has already been called to many of them, and possibly to some of them many times. Frankly, however, I think that these facts presented in this condensed form are highly interesting, not only to southerners but to all Americans, and I am taking pleasure in sending a copy of this letter to each of your fellow Senators.

Yours very truly,

WILLIAM S. BENNET.

(Copy to each Member of the Senate, Washington, D. C.)

Mr. FLETCHER. In view of some rather reckless allusions to Florida and her tax laws, I ask that I may be permitted to insert a few clippings—I have endeavored to select short ones—by way of addition to what Mr. Bennet has said, and also setting forth views pertinent to the matters involved.

The PRESIDING OFFICER. Without objection, the clippings will be inserted in the RECORD.

The clippings are as follows:

TAKING WHAT'S LEFT

During the past year the Federal inheritance tax has been the subject of more intensive study by a greater number of persons than during all the years of its previous existence put together. The more thoroughly it is examined the more carefully it is considered in its relationship to similar taxes imposed by the States, the less can be said in its favor and the more can be urged against it. In the past Congress has employed this tax only in war emergencies and has speedily discontinued it when the emergency was past; this time it has been loath to loose its grip on the resultant hundred millions.

The champions of the Federal inheritance tax fall into three categories: First, there are those who always favor any drastic system of taxation as long as it does not operate disagreeably in the particular financial stratum occupied by themselves and their followers. Second, there are those whose political creed teaches the beauty and reasonableness of scattering all aggregations of accumulated capital. Last, there is a group of serious thinkers, whose reasoning we can not follow, but who are apparently honestly convinced that inheritance taxes are a good thing and the more the merrier.

The taxgatherer always has the last laugh, whether he stalks the living or the dead.

FLORIDA "STANDS PAT"

Florida is given indirect but advantageous publicity in an advertisement which the Union Trust Co., of Cleveland, is running in the leading periodicals.

We haven't the slightest idea that the trust company intended that Florida should gain any benefits from its space, but it does so none the less.

The trust company ad depicts the sad plight of a widow and children left suddenly without a husband and father. Although the deceased was accounted a rich man, he left his heirs in a bad fix, because, as the ad tells us, "Inheritance taxes demanded instant cash, securities had to be sold at a loss, the executor knew nothing of his friend's business, and then came chaos."

The inheritance tax is the most offensive and inexcusable of all forms of taxation. It hits the widow and the orphan. It robs the dead and penalizes the innocent survivors.

Florida said to the world, "This unjust and offensive tax shall never be levied in Florida."

And Florida will stand true to that position and that promise, no matter how many States and how many Congresses may attempt to force her to abandon it.

PROSPERITY FOR SOUTH REVEALED—COMPARISON OF STATISTICS SHOWS BIG BUSINESS GAIN IS MADE

ATLANTA, November 9, 1925.—Prosperity in Dixie in the past two years is graphically reflected in a survey of railroad earnings and stock advances. Bank officials and other students of economics agree that the condition of railroad treasuries is one of the surest barometers to general business conditions that can be found.

In a recent comparison seven railroads serving southern territory were selected, and taking the low price of their common stock in 1923 on the one hand and the high price for the past week on the other the following figures were gathered:

	1923 low	High price last week
Southern Railway	24¾	112¼
A. C. L.	109	218
L. & N.	84¾	130¾
N. C. & St. L.	115	175
Illinois Central	99⅝	114⅝
Frisco	16¾	94¼
S. A. L.	4¾	50⅜

The upward trend also is shown in the following figures contained in official reports made to the Georgia Public Service Commission recently:

SEABOARD AIR LINE

	Aug., 1924	Aug., 1925
Operating revenues	$765,882	$979,294
Operating expenses	647,462	724,528

ATLANTIC COAST LINE

	Aug., 1924	Aug., 1925
Operating revenues	$837,963	$1,256,588
Operating expenses	772,700	969,902

SOUTHERN RAILWAY

	Sept., 1924	Sept., 1925
Operating revenues	$12,089,444	$13,411,557
Operating expenses	8,222,522	8,570,511

$20,823,730 TAX PAID—FLORIDA'S CONTRIBUTION TO UNITED STATES FOR YEAR EXCEEDS THAT FROM GEORGIA

[By Gladstone Williams, the Herald's special Washington correspondent]

WASHINGTON, D. C., December 14.—Florida paid $20,823,730.75 to Uncle Sam during the fiscal year ending June 30, 1925, the largest sum ever paid by that State, the annual report of Internal Revenue Commissioner David H. Blair disclosed here to-day.

Of this vast sum, $12,118,724.67 was collected from residents of Florida in income taxes and $8,705,006.08 in miscellaneous taxes.

The Blair report also shows that Florida paid more revenue to the Federal Government than Georgia for the first time in years.

The amount of revenue collected from Georgia during the fiscal year was $15,200,727.18.

3,843 PER CENT MADE BY UNITED STATES IN FLORIDA

[By Associated Press]

A profit of 3,843 per cent on a real estate turnover in Florida was chalked up yesterday to the credit of the War Department.

The department accepted an offer of $2,800,000 made by Nathan Friedman, of New York, for the 800 acres making up the abandoned Chapman field military reservation, near Miami. During the war the tract was purchased by the Government for $71,000.

[From the Mobile Register]

AN ATTACK ON FLORIDA

Chairman GREEN, of the House Ways and Means Committee, made an unjust attack on Florida in the debate on the Federal inheritance tax, declaring that the people of Florida, who have abolished the inheritance tax by constitutional amendment, can never "make a really big State through colonies of tax dodgers and money grabbers, parasites and coupon cutters, jazz trippers and booze hunters."

This outburst of temper reveals Mr. GREEN as playing not the rôle of constructive statesmanship but as striking out at anything he thinks he can hit. The State of Florida looked like a target for his anger, so he proceeded to call the people of that State hard names because they exercised the right of amending their State constitution. Nor is the classification Mr. GREEN applies to the new residents of Florida warranted by fact. Business and financial leaders of the United States who have invested large sums of money in Florida and purpose to invest more there will not pay much attention to such a tirade as Mr. GREEN has directed at them, but residents of Florida may well resent the imputation that their State is now a happy hunting ground for undesirables.

Florida is encountering the usual fate of communities that suddenly become prosperous. The jealousy and envy of other sections of the country are aroused and efforts are made to belittle the community that is progressing. Mr. GREEN voiced in Congress the sort of propaganda that is circulated through the North, East, and far West for the purpose of injuring Florida. Alabama, however, is not jealous of Florida, believing that the South should rejoice in the prosperity of a sister State. As for State taxation, that is a question Floridians are quite competent to solve for themselves, and it is no business of even so influential a person as the chairman of the House Ways and Means Committee.

[From the Tampa Telegraph]

OHIO LEADS THE WAY

Florida has friends throughout the country that are battling magnificently against the schemes of those who would add heavier burdens on the people and who have been conniving to nullify Florida's master stroke in the elimination of income and inheritance taxes, and these friends of Florida are doing more for this State than the State is doing for itself, to its shame be it said.

One of the more recent exposures of the schemers comes from C. L. Knight, the able editor of the Beacon Journal, of Akron, Ohio, who stands out a true friend of Florida at all times. Mr. Knight in his editorial handles the inheritance-tax provision of the congressional tax bill without gloves in the following manner:

"The tax bill which will be presented to Congress this week is in many ways an admirable measure, but it contains one provision which should never be allowed to become the law of the land. We refer, of course, to the inheritance-tax provision. This provision of the bill is for a Federal inheritance tax of 20 per cent levied upon the estates of decedents throughout the United States.

"Where a State levies an inheritance tax the Government rebates to the State 80 per cent of the Federal impost, retaining for its own use only 4 per cent of the amount plundered from the dead man.

"That, of course, will not sound so well to the shining band of perennial uplifters who would like to get 80 per cent of the estate and spend it in welfaring everybody into the Kingdom of Heaven. It will sound better to those sincere people who having been inoculated with the idea of state socialism are now gradually recovering from the disease up to the point that there are evidences of returning sanity. It will be hard for this class to get well all at once, and consequently we may expect them to point with pride to this bill as some evidence that they are getting better.

However, as a matter of fact, a more vicious measure has seldom found its way into Congress. In the first place, unless Congress is willing to commit itself to the principle of making capital levies in time of peace, a Federal inheritance tax should have no place in Federal statutes. That it is a capital levy can not be disputed. It goes beyond even the vicious practice of taking away so much of one's earnings that he would be better off to quit earning at all and invest his capital in tax-exempt securities. Here the dead man is followed beyond the grave and his estate is plundered from his widow and children to pay the running expenses of the Government. Such action attacks every sound principle of taxation unless we are willing to admit that the Government owns the citizen and may, after his death, do what it pleases with the property which he has accumulated by his industry, either for the care of those dependent upon him or for other purposes, which it is the right of every citizen and not the Government to decide. No such governmental function and no such ideas of spoliation by taxation were ever allowed in times of peace in this country until we began to express our abhorrence of autocracy and bureaucracy by adopting them. Indeed there is no sound reason in existence why an inheritance tax ever should be allowed in a State, much less in the Federal Government.

But this is not the worst thing about this vicious proposal. In the first place it seeks to, and will if adopted, compel every State not only to adopt an inheritance tax, but to model it exactly, as the Federal Government says it should be modeled. In other words, the Federal Government again injects its power into the States and arbitrarily tells them what they must do with the estate of their own citizens.

If a State has fallen a victim to the fallacy that it should adopt a capital levy, as most of them have, they nevertheless have had some sense of decency about it; that is to say, they have adopted a graduated tax which does not bear as heavily upon those whom duty compelled the decedent to support as upon distant relations or strangers. In some of the States this tax is now only 1 per cent upon an estate going to the widow or the children. Here in Ohio the State tax is 4 per cent when the widow and children get the property. Under this provision it must be raised to 16 per cent at least. However, this Federal proposal changes all that. It levies a straight duty of 20 per cent without any regard to the rights and equities of the widow and the orphan, and the magnanimous rebate goes not to them, but to the State government. In other words, it will compel the States, whether they wish it or not, to abolish their tax of 1 or 2 or 3 per cent upon the portion of the property going to the widow and the children and to impose one of at least 16 to 20 per cent. Possibly Congress, in its aptitude for that kind of thing, could evolve something worse, but it would be a hard matter to do it.

It will now be interesting to see what our Ohio delegation is going to do about it. We will watch with more than ordinary interest to see whether they are going to vote for another provision to extend and tighten Federal control over the States; whether they are going to again subscribe to the doctrines of State socialism that are all too rapidly ironing us into the shapeless pulp of mere subjects of a federal empire; that is, adopting the fine old ideas of Bismarck and the Hohenzollerns that the subjects exist for the use of the State. The Beacon Journal is particularly interested in BURTON and BRAND and it is hoping that these two men in the Ohio delegation will lead a fight to strike out entirely this provision in the new revenue bill.

That exactly such a course should be followed can not be successfully disputed by any person who understands the fundamental principles of taxation, and we would like to see Ohio lead the way back toward sound fundamentals.

[From the Tampa Morning Tribune, November 21, 1925]

A TAX FOR ENVY

Nothing could be more ridiculous, and yet dangerous, than the plea of certain frenzied politicians for the Federal Government to levy an inheritance tax, while admitting that the Federal Government does not need the revenue of such a tax, their sole reason being jealousy because Florida and Alabama have no State death taxes.

The movement may succeed through apathy of the press and the people's representatives, although such a capital levy is branded as legalized robbery by President Coolidge and its repeal is urged by Sec-

retary Mellon, the American Bankers' Association, the United States Chamber of Commerce, and practically all other such national leaders and organizations.

Again the Tribune asks if every one of Florida's Senators and Representatives is now fighting that tax actively. Act on the statement of Senator UNDERWOOD, of Alabama, that taxes should stop at the grave.

The Montgomery Advertiser is fully awake to the menace of the envious demagogues who would compel Florida and Alabama to levy needless and harmful taxes through the medium of Federal rebate to States having such taxes. The Alabama paper quotes the powerful arraignment of Col. Peter O. Knight as published in the Tribune some days ago, in which he said, "The legislation proposed by GREEN and GARNER is vicious, unjustifiable, and indefensible from any standpoint." Read the Advertiser's opinion:

"American papers are shocked when French politicians threaten a capital levy in France, but most of them seem indifferent to our own capital levy menace in Washington. The Federal inheritance tax now on the statute books is a capital levy.

"This Federal inheritance tax not only is capital levy applied to a country that is not in distress, but is a menace to the principle of local self-government and human liberty.

"Our ablest thinkers on economic and political questions generally advocate the repeal of this law, but there is determined opposition to repeal, and it is certain that the Ways and Means Committee of the House, now in session, will report to Congress that it is opposed to repeal.

"The Federal inheritance tax law at the moment is of peculiar interest to Florida and Alabama, as we have repeatedly pointed out. The new excuse of the politicians for continuance of the policy of levying upon the property of the people is that if Congress doesn't collect death taxes, the State won't either! They point to Florida and Alabama as horrible examples of what undisciplined States will do if not watched. They say something must be done, not by the people of Alabama and Florida, but by the politicians in Congress, to compel Alabama and Florida to enact tax laws that conform to the theories and desires of Federal politicians!

"What impudence! What a travesty upon political economy! What a commentary upon the principle of liberty and State sovereignty!"

Opponents of the repeal brazenly boast that their only purpose in supporting the tax is to force equal misfortune upon these two Southern States which by foresight and intelligence are not so heavily tax ridden.

It behooves the papers of Florida to give the matter publicity. It is a dangerous precedent menacing all other sovereign States. And especially it is the duty of our delegation in Congress to defend the rights of the State.

WHAT'S RIGHT WITH FLORIDA

"What's right with Florida" is the sensible and pleasing way the Christian Science Monitor heads its front-page article of November 13. It is the first of six such descriptions prepared for the Monitor by Rufus Steele, author of the series, "What's right with the movies." It is in decided contrast with articles by certain other writers who have dealt almost exclusively with what's wrong with Florida.

Besides this article, and besides favorable comment on the editorial page, the Monitor published a 20-page supplement on "Florida and her place in the sun," with many illustrations.

This international daily newspaper published at Boston, while published by a religious denomination, is still a newspaper, carrying the news of general interest, and enjoys a widespread circulation. Its nature guarantees that it is free from exaggeration of Florida. The truth is good enough.

[From the Miami Tribune]

COERCING FLORIDA

At the recent annual conference of the National Tax Association held in New Orleans the past week very important tax measures were discussed. This is the eighteenth annual conference of the National Tax Association of State Tax Officials, Economists, and Experts. Florida, although not represented officially, was in the minds and on the lips of everyone present.

The great bulk of the States represented felt no jealousy of Florida's progress because of what is generally considered as her bid for settlers of great wealth through elimination by constitutional amendment of inheritance and income taxes. There were some States where the feeling existed that action should be taken to circumvent this boon that Florida was offering to the rich men of the North in the saving of death duties as well as taxation of income during life.

What seems to amount almost to a conspiracy is reported to be found in the records of the hearings before the subcommittee of the Ways and Means Committee of the House of Representatives and the Finance Committee of the Senate. Apparently there is a strong organized clique who have convinced themselves that the most practical way to offset Florida's attraction in the way of absence of inheritance tax is to embody in the proposed revenue act a provision which will permit a credit against Federal inheritance tax of all State inheritance taxes paid by a decedent's estate up to 80 per cent of the amount of the Federal inheritance tax.

This means that if Mr. A died domiciled in New York, for example, and New York imposed upon his estate a tax of $100,000 and the Federal inheritance tax upon his estate amount to $100,000, by the use of this credit the total tax imposed upon the estate would amount to no more than $120,000. The full amount of the State tax would be paid, but by the proposed legislation a credit would be allowed for it in computing the Federal inheritance tax up to 80 per cent of such tax, the net amount thus collected by the Federal Government being but $20,000.

If Mr. A had, however, been domiciled in Florida his estate would not be subject to a State inheritance tax, but would nevertheless be subject to the Federal inheritance tax. His executor would be obliged to pay the Federal Government $100,000 in full, there being no allowance to the Florida decedent of any credit, and his total tax would be $100,000, as against $120,000 to the New York resident. Thus the Federal Government, through the proposed legislation of Congress, practically says to those States having the inheritance tax, "We will give up 80 per cent of the tax that we ought to collect because you are a good State and impose inheritance taxes upon your decedent's estate, but as to Florida (and, incidentally, Alabama, Nevada, and the District of Columbia), you are bad children. You have no inheritance tax, although you ought to have, and your decedents must pay the full Federal inheritance tax without deduction."

This proposed legislation is being recommended only by a few aggressive, narrow-minded competitors of Florida, and unless Florida takes equally aggressive action to combat such influence unreasonable and unfair advantage may be taken of those persons who are domiciled and die in Florida. Massachusetts, for instance, through its elimination of taxation on incorporations, came out very strongly against any Federal tax whatsoever, and many other States spoke equally strongly for the complete repeal of all Federal inheritance taxes.

The splendid report of the subcommittee on inheritance taxation at the conference at New Orleans seems to recognize the fact that the Federal inheritance tax is uneconomic and made unnecessary because the revenues of the Federal Government run to a large excess above expenditures. The report, however, recognized the fact that political conditions were such that Congress could not at its next session entirely eliminate the Federal inheritance tax, and the committee therefore recommended that the new revenue act provide for the complete elimination of the Federal tax at the end of six years.

This holds out some hope for Florida, as eventually the elimination of the Federal inheritance tax will enable a Florida resident to pass on his property at death to his heirs without deduction of any tax whatsoever unless he owned property having its situs in States where inheritance tax is imposed.

Many articles have appeared in magazines, and tax officials throughout the country have declared that the State inheritance tax is easily collected and necessary to meet the current expenses of every State, and that any State that attempts to get along without it will be sorry and have to reenact such legislation. The fact, however, seems to be overlooked that a State such as New York has a funded debt amounting to many hundreds of millions of dollars, interest on which must be met, as well as payments to the sinking fund for its retirement. Florida to-day has no funded debt and it would be many, many years before it would be in a serious situation in this regard. Whether or not wealthy citizens in northern States are removing to Florida because of Florida's absence of inheritance tax laws seems to be a debatable question, but Florida is taking an economically sound position when it declares against inheritance taxation which is recognized as a measure destructive of accumulated wealth, the State using the principal for current needs. It strikes the average man's family and business at a time when he can not protect them and they are not in a position to protect themselves and often imposes severe hardship. This is particularly true where the entire fortune is invested in one line of business, which in one blow loses its executive head and is stripped of a large portion of its capital.

[From the Miami Herald, November 23, 1925]

COERCING FLORIDA

While there are many things in the proposed Federal revenue bill that will please the people in the way of reduction of taxes, one feature of it will create considerable discussion, and that is the proposal to retain the Federal inheritance tax.

That measure was primarily an emergency scheme to tide over the Treasury at a time when the drain upon the Nation's finances was extremely heavy.

The defect in the principle of national inheritance taxes is that it is not laid upon the income of property owners but upon the property itself after the death of the owner. It is a capital tax, which takes away from the actual earnings of the owner and is not placed upon the income from the property, as it should be.

In essence it is a program of taking away from the well-to-do for the benefit of others, a socialistic principle, totally at variance with the genius of this country.

Another defect—two of them, in fact—is that the country does not need the money and that if inheritance taxes are to be imposed it should be done by the State governments to supply needed funds and not by the Federal Government.

But there is another side to the present discussion, and that is that the proposal to retain the inheritance tax in the forthcoming bill is not inspired by the desire to protect the National Treasury. It is actually a conspiracy in some quarters to compel certain States to impose the tax.

It will be remembered that Florida has, by constitutional amendment, prohibited the legislature from imposing any inheritance tax. Alabama is the only other State that prohibits such taxes.

It is to be conceded that when Florida's action became known many wealthy men of other States transferred their residence to Florida for the purpose of being able to dispose of their estates as they thought fit without paying heavy tribute to the States in which they formerly resided. This action has been resented by other States and this movement to retain the Federal inheritance tax is the result.

A compromise has been reached in the committees, at least, by which those opposed to any inheritance tax and those who desire such a tax, by which the Federal Government, so it is proposed, will return to the States the amount of inheritance taxes imposed by the States, up to 80 per cent of the amount imposed by the Government.

In other words, the resident of Florida will have to pay, if this bill becomes a law, the full Federal inheritance taxes, whereas such States as have already imposed an inheritance tax will have that tax paid into the State treasury by the Federal Government, or, at least, 80 per cent of the sums paid to the National Treasury.

This is purely a measure to compel Alabama and Florida to impose an inheritance tax, although neither State needs the money, and to forego the advantage inuring to these States from the fact that they have declined to impose a tax upon capital.

Every intelligent citizen of Florida and of Alabama ought to protest against the passage of this bill so far as it relates to inheritance taxes.

DEATH TAXES

Those who have considered the matter say that if Henry Ford were to die the "death taxes" which the Government would levy upon his estate would total the tremendous sum of $500,000,000. While the treasuries of the Nation and the States would benefit to the extent of half a billion, the Ford interests would be hamstrung by such a levy.

Going further, the sharps point out that if Mrs. Ford were to inherit the Ford millions and die soon after her husband, "death taxes" would again reduce the estate by hundreds of millions, and if the son, Edsel, were to inherit from his mother and die the "death taxes" would again reduce the estate by more hundreds of millions.

What would be the result?

The Ford works would be crippled by the levies. The workers in the Ford enterprises would be out of jobs. The great industry would decay, and the vast business which has grown from furnishing automobiles at a low price would cease to provide extra cheap motor-car transportation for the world.

It is no answer to the foregoing deductions to say that they are all contingent upon the unlikely circumstances of the death of the three members of the Ford family in the near future. That the law has set the stage for such a disturbing and destructive drama as outlined proves, not the wisdom of the lawmakers who brought the statute into existence, but the great harm that may result to an important unit in the industrial life of the country under circumstances not only conceivable but quite possible.

The fact that the Ford Co. has grown to be worth a billion and a half dollars and the further fact that it belongs to three people all closely related are not in logic good reasons why the deaths of the three should legalize the acts of State and National Governments in confiscating that property.

No good public policy is furthered by a law which might operate to wipe out great industries employing many thousands of people and furnishing at a very low price standard products demanded the world over.

The inheritance taxes appear to have been thought of by people with minds attuned to the belief that when a man is dead what he has accumulated in his lifetime belongs to somebody besides his legal heirs, who are entitled to it in equity.

Mr. FLETCHER. I can not escape some measure of indignation the more I think about the estate-tax provisions in this bill, nor can I escape a feeling that seriously questions their validity, if tested.

The purpose is to force Florida—omitting reference to other States—into line with a policy Congress devises with respect to her own domestic affairs. The effort is to oblige Florida to shape her sovereign rights with respect to her tax laws to conform with the plans and views of certain Members of Congress. The method of making effective this coercion is through the taxing power of the Federal Government, and this estate-tax provision is designed to accomplish that end. This, in fact, is the sole basis and reason for the estate-tax provision.

It infringes on the implied powers reserved to the States.

It is in direct conflict with and repugnant to those State rights and powers.

Note the strong language by the Supreme Court in The Collector *v.* Day (11 Wall. 122 et seq.), as follows:

> The case presents the question whether or not it is competent for Congress, under the Constitution of the United States, to impose a tax upon the salary of a judicial officer of a State.
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> In Dobbins *v.* The Commissioners of Erie County (16 Pefers, 435) it was decided that it was not competent for the legislature of a State to levy a tax upon the salary or emoluments of an officer of the United States. The decision was placed mainly upon the ground that the officer was a means or instrumentality employed for carrying into effect some of the legitimate powers of the Government which could not be interfered with by taxation or otherwise by the States, and that the salary or compensation for the service of the officer was inseparably connected with the office; that if the officer, as such, was exempt, the salary assigned for his support or maintenance while holding the office was also, for like reasons, equally exempt.
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> * * * Such being the separate and independent condition of the States in our complex system, as recognized by the Constitution, and the existence of which is so indispensable that without them the general government itself would disappear from the family of nations, it would seem to follow as a reasonable if not a necessary consequence, that the means and instrumentalities employed for carrying on the operations of their governments, for preserving their existence, and fulfilling the high and responsible duties assigned to them in the Constitution should be left free and unimpaired, should not be liable to be crippled, much less defeated, by the taxing power of another government, which power acknowledges no limits but the will of the legislative body imposing the tax. And more especially those means and instrumentalities which are the creation of their sovereign and reserved rights, one of which is the establishment of the judicial department and the appointment of officers to administer their laws.
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> * * * And if the means and instrumentalities employed by that Government to carry into operation the powers granted to it are, necessarily and for the sake of self-preservation, exempt from taxation by the States, why are not those of the States depending upon their reserved powers for like reasons equally exempt from Federal taxation? Their unimpaired existence in the one case is as essential as in the other. It is admitted that there is no express provision in the Constitution that prohibits the General Government from taxing the means and instrumentalities of the States, nor is there any prohibiting the States from taxing the means and instrumentalities of that Government. In both cases the exemption rests upon necessary implication, and is upheld by the great law of self-preservation; as any government whose means employed in conducting its operations, if subject to the control of another and distinct government, can exist only at the mercy of that government. Of what avail are these means if another power may tax them at discretion?
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> * * * * * * *

I venture further to say in this connection that various communities in various States have felt the withdrawal of funds from banks, the movement of their people to Florida in contemplation of new investments and establishing new homes in that favored land, and have set about to discourage such occurrences, resorting to misrepresentations regarding conditions in Florida. Their feeling is quite natural, and I cherish no bitterness toward them. They will not accomplish their purpose. They are short-sighted, really, as shown by an article from a disinterested and capable source, Mr. Mercer P. Mosley, a banker of New York, which I ask to have inserted in the RECORD.

The PRESIDING OFFICER. Without objection the matter referred to will be inserted in the RECORD.

The article is as follows:

THE FLORIDA DOLLAR

(By Mercer P. Mosley, vice president of the American Exchange-Pacific National Bank, New York)

A great deal of propaganda antagonistic to Florida has appeared in the public prints, and much of the same character of statement is emanating from those who may or may not have ulterior motives in its dissemination.

This propaganda takes the form of advice to those who contemplate going to Florida to live and those who contemplate making investments in real estate and other business in Florida.

It may be fairly said that the most damaging statements about Florida arise from some banks which have felt the effect of the withdrawal of deposits for the purpose of investment in Florida. Very naturally a banker does not look with any degree of pleasure upon the loss of deposits, but it is difficult to understand an antagonism which does not find its basis in fact. Further, it is unlikely that if substantial and dependable bankers knew the facts they would willingly utter unsought, unfair, and unreliable advice. Florida is pictured by her enemies as a maelstrom of wild speculation which will end in disaster. The word "speculation" is stressed.

What are the facts?

First. Florida hasn't a corner on speculation. That more or less speculation is indulged in is not to be denied, but time alone will prove the contention that a purchase to-day will ultimately be classified as a poor purchase or a good purchase.

Perhaps the greatest speculation of all time in the history of Florida was staged when Mr. Flagler visioned its possibilities, risked his money and his reputation by purchasing the rails of the Florida East Coast Railroad into what was then a vast tropical wilderness. Even his closest friends, and certainly the bankers of the country, shook their heads with the wisdom of a sage and ticketed this venture of Mr. Flagler's as the wildest sort of speculation. Time has magnificently justified Mr. Flagler's judgment; and who possesses the prevision to say that time will not justify in an equally more moderate or even greater degree the "speculative" purchases of Florida real estate at this time?

Of course, every man who goes to Florida is not a wise man, nor is every man who remains at his present home, wherever that may be, a wise man. Some of them do foolish things, and there is no rule of thumb by which their bad judgment may be automatically translated into good judgment.

But, by and large, the great majority of people who are coming to Florida and who invest money in Florida possess an average of good judgment, and self-appointed mentors need have no apprehension as to the average profits they will make.

This antagonism to Florida takes on a peculiar form. Those few bankers and business men in the North, East, and West who advise against having anything to do with Florida have unctuously adopted the conclusion that a dollar withdrawn from their local banks and invested in Florida is a lost dollar; that when that dollar, in its flight from their home town, crosses the border at Jacksonville into Florida the gate is closed, and no hope of return of that dollar need be expected.

What a faulty analysis this is! A banker and a business man ought to know better.

The truth is that Florida—the last new country in the United States—a State larger than any other east of the Mississippi River, with the single exception of Georgia, is building on her broad acres a new empire. This takes the form of towns, cities, up-to-date transportation, excellent roads, splendid public utilities, and all that is involved in intelligent, well-balanced progress. To finance this achievement, money is necessary.

From whom does it come?

It has come and is coming from every section of the United States and from the pockets of those who have vision to see and faith to believe that the actualities and potentialities of this great State warrant them in the investments or the "speculations" in which they indulge.

What happens to money spent in Florida enterprises?

In the first place, much of it never gets to Florida. This for the simple reason that John Jones, living in Boston, may have a piece of property in Miami, or somewhere else in Florida, which William Smith, living in Chicago, purchases. The details of the transaction may be handled through a Florida office, but the actual transfer of money is from Chicago to Boston.

Second, the money that goes to Florida direct, first finds lodgment as a deposit in some of the Florida banks. These banks, in turn, maintain accounts in the large centers like New York, Chicago, Boston, Philadelphia, and St. Louis. They send their idle funds to these points for employment, and in turn, New York, for instance, may be lending the balances of a Florida bank to a manufacturer of steel in Youngstown, Ohio.

So much for this explanation.

Now, let us get down to a closer analysis of the Florida dollar. You can't build cities, towns, public utilities, a new empire out of popcorn balls and chewing gum. It requires workmen, steel, concrete, hardware, bathtubs, machinery, railroads, and everything else that is required to erect sound and satisfactory construction in the home towns of the bankers and others who supinely decry Florida.

And remember Florida does not manufacture these things. She has to buy them, and while an antagonistic banker may be giving advice to one of his depositors going to Florida, Miami, for instance, may have an order placed with a steel manufacturer in this banker's home town for large amounts of steel plates, and very likely the workman, whom the banker is advising against going to Florida, is employed in that very same steel mill.

You are reading every day about the embargo on the railroads and steamship lines running into Florida. This embargo is due to the fact that Florida's needs in the way of building material, machinery, etc., are so great as to tax beyond capacity all of the railroads and steamship lines entering the State and her ports.

Remember the embargo is on goods going in and not coming out.

What does this mean?

Certainly, it can mean but one thing, and is that while the dollars from other sections of the country are temporarily lodged in Florida, they are sent by the millions out of the State to purchase the things with which this new empire is being created. And thus Florida is contributing in a splendid and large manner to the industrial and financial progress of the Nation.

So, when your banker, or your wise friend, advises you that Florida is a place to shun and tells you that a dollar invested in Florida is a dollar lost to the Nation, just ask him to explain to you why a dollar that goes to Florida is different from any other dollar that seeks profitable employment in other sections. Further, ask him if he has been to Florida, and if he says "No," tell him frankly that he is not qualified to give you advice on that subject. Ask him if he knows the actualities and the potentialities of the great State of Florida, ask him to tell you the tonnage cleared through her ports of call. Ask him about her cattle industry, about her phosphate deposits; ask him if he knows that she ranks first in the shipment of pine lumber. Get him to give you the figures involved in her commercial fish industry, invite him to tell you of her citrus crop and its ramifications and growth. Ask him if he has knowledge of her bulb industry, not forgetting the total income from her melon crop, garden truck, flowers, celery, strawberries, and literally dozens of other things.

Ask if he knows that the farmer from the cold Middle West and Northwest, who, because of climate, is limited to five or six months in the year of actual farm operation, is translating his high-priced acreage into more acres of equally as good farming land in Florida and is therefore minus his large coal bill, and minus his yet larger feed bill for his cattle in the winter time, and is plus an opportunity to grow two or three crops instead of one. Ask him further if he appreciates the fact that when this farmer is growing his winter crops in Florida the things that he is producing are "out of season" in 46 other States, and therefore command the highest market prices.

Tell him not to undervalue Florida sunshine. Say to him that a manufacturer runs his plant because he can sell his product at a profit, and that the merchant stocks his shelves with goods for identically the same reason. Tell him that for purposes of His own, Providence has seemed to give to Florida a patent in perpetuity on sunshine in the winter time. Tell him that the evidence of the past 25 years is conclusive that more and more people from all over the American continent really want that sunshine in the winter time. Tell him that they are actually buying it and paying for it, and that this sunshine is salable exactly as the goods of the manufacturer and the merchant are salable, and that therefore Florida sunshine has just as much of a real asset value as have diamonds on the shelves of Tiffany & Co.

Mr. FLETCHER. The statement of internal-revenue receipts by the Treasury Department, page 502 of report of Secretary of the Treasury, shows Florida paid for 1925, $20,823,730.75, as against $15,819,827.98 for 1924, an increase of 32 per cent, being a greater increase than from any other State. In fact, there was a decrease in all the other States except North Carolina, and her increase was only 6 per cent. A statement from the collector of the income taxes for the calendar years 1924 and 1925 I ask to insert in the RECORD.

Allow me to add some other relevant statements contained in these articles which I ask to insert in the RECORD without reading.

The PRESIDING OFFICER. Without objection, the matters referred to will be inserted in the RECORD.

The statements are as follows:

TREASURY DEPARTMENT,
INTERNAL REVENUE SERVICE,
Jacksonville, Fla., December 30, 1925.

Hon. D. U. FLETCHER,
United States Senate, Washington, D. C.

DEAR SENATOR: Replying to your favor of December 24, I am inclosing herewith a comparative statement of income taxes for Florida for the years 1924 and 1925. This statement is for the calendar year and not the fiscal, and shows an increase of $7,869,585.09, or a gain of 87 per cent. This in a measure reflects the prosperity that is now being enjoyed in Florida.

With best wishes for a happy New Year, I am,

Yours very truly, PETER H. MILLER, *Collector.*

Comparative statement of 1925 with 1924 income-tax collections for Florida

	1924	1925	Increase
First quarter	$2,637,770.07	$4,196,771.00	$1,559,000.93
Second quarter	2,411,766.70	4,150,764.93	1,738,998.23
Third quarter	1,887,026.11	4,133,563.81	2,246,537.70
Fourth quarter	1,884,162.63	4,209,010.86	2,324,848.23
Total	8,820,725.51	16,690,110.60	7,869,585.09

BUILDERS RUN STATE VOLUME TO HIGH MARK—PERMITS REVEAL YEAR'S TOTAL WILL REACH $300,000,000—MANY CONSTRUCTION PROGRAMS ARE NOT INCLUDED IN OFFICIAL RECORDS

Building construction in Florida for 1925, as recorded by building permits issued, will be in the neighborhood of $300,000,000, according to preliminary survey completed by Southern Construction Magazine.

Nineteen cities reporting permits issued for the last 11 months show a total of $211,921,744. As figures were obtainable from only 19 cities, and as this amount does not take into consideration projects in many communities where a building permit is not required, the total estimated by Southern Construction Magazine of approximately $300,000,000 for the State, 1925, may be regarded as conservative.

Included in this figure are construction projects only such as hotels, apartment buildings, office and store buildings, industrial and other plants, and residences. It does not take into consideration many hundreds of millions of dollars spent for development work throughout the State, private and municipal improvements, and construction work of a similar nature of which no official records are kept, excepting incorporated municipalities, but which in their creation impress by their thoroughness and magnitude.

TOTAL WILL REACH $600,000,000

Taking for example such unincorporated developments as Miami Shores, Atlantic Shores, Daytona Shores, and the amounts spent by each for improvements during the past year, and including also county and municipal improvements, another $300,000,000, conservatively estimated, may be added, bringing the total amount spent in Florida during 1925 for all types of construction and improvement work to more than $600,000,000.

This may be regarded as a national record, taking into consideration the population and the comparative newness of the State as an industrial and commercially active commonwealth.

In the building total of $211,921,744, as reported for 11 months of this year, Miami, with $52,663,397, is far in the lead and has a total not only twice as large as its nearest competitor, but furnishes more than one-fourth of the total for the entire State.

St. Petersburg, Tampa, and Coral Gables come second, third, and fourth, in the order named.

RECORD OF PERMITS

The following are the figures of the whole year and for November:

Miami	$52,663,397
St. Petersburg	21,803,000
Tampa	20,451,286
Coral Gables	18,828,365
Miami Beach	16,624,582
West Palm Beach	16,621,055
Jacksonville	12,176,331
Hollywood	9,073,407
Lakeland	7,650,520
Orlando	7,217,018
Fort Lauderdale	5,891,012
Clearwater	4,866,476
Sarasota	4,540,082
Bradenton	4,410,670
Daytona	2,385,950
Sebring	1,822,415
St. Augustine	1,816,939
Sanford	1,599,842
Vero Beach	1,150,910
Total	211,921,744

November total

Miami	$5,498,399
Coral Gables	3,155,000
St. Petersburg	2,470,300
Jacksonville	2,165,213
Tampa	1,659,002
Lakeland	1,107,705
West Palm Beach	924,653
Orlando	919,190
Miami Beach	868,975
Hollywood	779,400
Fort Lauderdale	604,750
Clearwater	570,750
Sebring	345,000
St. Augustine	321,515
Winter Park	307,000
Daytona	300,200
Haines City	275,163
Melbourne	225,000
Sanford	208,355
Gainesville	205,013
Boynton	201,300
Sarasota	197,600
Bradenton	184,310
Lake City	$156,000
Fort Pierce	149,950
Okeechobee	125,100
Pensacola	112,520
Key West	70,000
Vero Beach	53,075
Tallahassee	32,100
Homestead	25,000
Total	24,216,540

[From the Florida Times-Union, October 25, 1925]

FLOCKING TO FLORIDA

Railroads and highways leading into Florida present busy scenes these days. On both the incoming tide of travel is exceedingly heavy, all because of the anxiety of tens of thousands of people to get to this State of opportunity and prosperity. The Chicago Tribune has had a special writer in this State for some time gathering facts for enlightening the army of Tribune readers, hundreds of thousands of whom want to know about Florida.

This special writer, in an article written from Lake City and published in the Tribune on October 19, said that "the trek to Florida continues unabated, and the Dixie Highway, from the Soo on the Canadian boundary down to Miami, and all the other trails are swarming with travel. He went on to say that by actual count cars from other States were passing through Lake City "at the rate of two a minute"; that "they averaged at least three passengers to the car," which "would indicate a flow of perhaps 4,000 to 5,000 outsiders a day moving South through this crossroads alone." Suggesting that the estimate be cut in half, this writer says that the figures "still show a tremendous surge" of expectant people coming into Florida right now, and the rush has not yet commenced.

This Chicago Tribune correspondent remarks incidentally that "the outside world is no longer sad and dreary to folks down on the Suwannee River"; that everybody is busy because of the enormous amount of travel. He continues:

"The travel estimates sound foolish, but men here who have kept check declare they are far too conservative. This is only one crossroads gate; in addition is the travel by rail and sea and the crowds coming by automobile through other gateways, especially Jacksonville. Many are going back. But for every returning car there seems to be 10 or 15 pointed south. That is about the proportion noted by this expedition during the last week on the Dixie trail. All told, what with those who come for sightseeing and those who come to settle, the expectations are that travel into Florida for the year will range somewhere around the million mark and set a new mark in travel movements. This in a State which in 1920 had less than a million population."

Yes, "the travel estimates sound foolish"; they probably wouldn't be believed if told to outsiders by Florida people. But the estimates above referred to are made by a keen outsider, who came to Florida to get facts and not guesses or wild statements. Even his own newspaper, although it desires to be entirely fair to Florida, is unable to appreciate what is taking place in this State, and what has led up to the present unprecedented prosperity. For instance, several days after the correspondence above referred to appeared on the first page of the Tribune editorial reference was made to Florida land buying, and the writer, who, presumably, has not kept up with what has been going on in Florida for some years past, refers to "Florida's boom" as "but a skyrocket example of the more conservative upward surge that is being felt in nearly all sections."

Why, bless his dear heart, doesn't the writer of the above-quoted words know that for some years past Florida has been building up, conservatively and surely, to this very condition that now exists—call it boom, if you please, but it's no more like a skyrocket than is the beautiful and substantial tower in which the Chicago Tribune has its home and from which it issues day after day with all the assurance of so continuing indefinitely.

Arthur Evans, who is "covering" Florida for the Tribune, can tell his superiors that there is nothing skyrockety about Florida—he has seen, he has studied the situation and the conditions, and he knows. But be that as it may, tens of thousands of people are flocking to Florida, to be followed a little later by hundreds of thousands—and mighty few of them will be disappointed. It is safe to say that none of the sanest of them will see any skyrockets in Florida unless they bring them with them.

FIGHT ON FEDERAL INHERITANCE TAX

Thirty governors of States, and it is estimated at least one-third of the Senate stand behind an appeal for elimination or modification of the Federal estate and inheritance taxes, the war on this particularly undesirable form of money getting by the Government being given a real start in Washington October 23. At the time mentioned a bipartisan committee came before the House Ways and Means Committee and explained the situation, asking for relief from a condition which is most undesirable. Democratic and Republican governors and Members of the Senate are joining hands to get this war emergency measure changed or repealed in order to save estates from being broken

up and industry hampered through claims that require liquidation in order to meet the call of the tax collector where there has been recorded the decease of a majority owner or large stockholder.

State governments, the majority of which have State taxes applicable in such premises, have become alarmed over the possibilities of an inheritance and estate tax which could be brought to 75 per cent of values through double taxation, and they are urging the immediate attention of Congress to the situation. Many of those who are fighting for a change on the Federal policy regarding estates believe that the national tax gatherer should leave this matter entirely to the States. Levied by the Government to raise money during the war, only radicalism has kept them on the books, and while they fail to raise the revenues that were claimed for them in advance, mischief-making politicians endeavoring to make their constituents happy by pretending to legislate against the rich and well-to-do, insist upon continuing this unnecessary tax.

Secretary Mellon in his last annual report showed that these high imposts necessarily depress capital values, continually compelling division of estates and throwing securities on the market. They discourage accumulation, which is the reserve behind any country's prosperity, with a future possibility of actually destroying taxable capital. The recognition by Congress of the prejudice against this form of taxation, shown in the allowed credit for not over 25 per cent of the amount of the State inheritance, legacy, or succession taxes paid to States, is not satisfactory and the call is insistent for repeal or great modification of the law.

Florida having by constitutional amendment prohibited the levying of income and inheritance taxes by the State has won public attention of the most desirable sort. The State stands out, with two or three others, as opposed to excessive and troublesome taxes, and sets an example that could be profitably followed by States where the income needed can possibly be obtained through more regular and equal taxation. Florida's appeal when asking for this constitutional amendment was based on solid and reasonable grounds, and it was urged that the people take a stand against the constantly growing list of tax items and avoid every possible point where double taxation could be indicated.

Florida, however, will be glad to see the Federal Government remove from its books the war measures known as the inheritance and estate taxes. Florida is pleased more than some other States could possibly be, for here it may be possible to see an estate settled without handing either to the State or Federal Government a considerable part of property that has been accumulated and is being used perhaps in the furtherance of general prosperity, levied upon and taken from the heirs at a time when the decease of the chief owner makes matters particularly troublesome and the continuance of a useful tenantry perhaps most doubtful.

[From the Jacksonville Journal, October 26, 1925]

FLORIDA'S TAXES DRAW FIRE

Florida's constitutional ban against the levy of income and inheritance taxes got before the Ways and Means Committee of the House, as it was bound to do, for other States are jealous of this State's growth. That is the chief trouble with all the agencies that are trying to throw stones at Florida.

Florida was able to take a statesmanlike view of the tax problem, and she saw that it was possible to make the tax burdens easier here. While they are at it the critics of Florida might reflect that a State that is able to lighten the taxes must be a pretty good State to live in. If they would try to emulate this State instead of defaming it they would be much better off. Florida is exercising her rights as a State in removing burdensome taxes and is going further in reducing the State tax and in equalizing assessments. She is setting an example that all other States might follow. She is not concerned with the tax problems of other States. She is attending to her own business and she expects other States to do the same thing. She is going about the development of her resources in a way that will benefit the State most. She found that one way to do this was to assure capital that it would be given legitimate protection. One of the vexing problems in investments is the imposition of numerous taxes. Florida saw this just as other States see it. Florida was able to overcome it, and she insists that she be let alone in the handling of her tax problems. Every State has its own peculiar questions. Some lay taxes on oil and coal production, which add to the price that consumers in other States must pay for the product. It comes down to the question of each State taking care of its own problems, and that is the basis on which Florida is proceeding. She hopes that relief may be furnished all along the line in the Federal tax scheme, but at the same time she will insist upon her State right to manage her local taxation to her own best interests in accordance with the prospects, the development, and the advantages of the State.

THE MIGRATION GOES ON

On Saturday there were parked in a few business blocks autos from 16 States, and 2 cities from America's northern neighbor, the Dominion of Canada. An actual count revealed the presence of so many visitors. Apparently the poison campaign is having little effect when so many come to Florida in a single day. This does not tell the whole story, for from many States more than one auto bore the tag of the home State of the owner as driver. If a survey had been taken of the whole city a much larger representation would have been revealed. It will take far more than the writing of propagandists and the defamation by foes of Florida to stop the migration. There are too many people who know that Florida "can deliver"; that she can meet the legitimate claims made for the State.

[Former Gov. M. R. Patterson, of Tennessee, in Memphis Commercial-Appeal]

JUSTICE TO FLORIDA

I have always thought that in our Union of States the prosperity of one ought to please all the others, for such is the true spirit of our democracy.

The country is big enough and the people in it are broad enough, I think, not to be influenced by local prejudices to any marked extent. To indulge in extravagant statements on the one hand, unduly extolling one State or section over another, or in corresponding depreciations, accomplishes no useful purpose. As a matter of simple truth, Florida is a great State, of almost illimitable possibilities. I knew this in my previous travels over it six years ago, and wondered then that the fact was not more generally recognized.

When intelligent and successful men, who have proven their capacity to make money elsewhere, pour their capital into another locality and go there to make their homes it won't do to dismiss with a sneer such manifestations.

To Florida both men and money have come, the former by the thousands, the latter by the millions.

The lure, whether it be actual or artificial, is there, and it attracts.

There is something more in the equation than desire for change, though this may be a factor. There is too much permanence for this to be the sole cause for the marvelous transformations that are taking place in Florida; for the mighty influx of capital and population.

The climate? I think this was originally the chief attraction, and so remains, but there is something more than climate—lovely bays, the fishing, and the ocean.

This may be found to exist in the statements which are claimed as authentic relating to Florida.

Among these are that the State has no bonded debt. There are no inheritance taxes. That the death rate is lower in Florida than any other State of the Union. That Florida is the only State surrounded on three sides by the seas. That there are more than 100 distinct types of soil in the State, which will produce all sorts of crops. That it has a natural monopoly in certain fruits and vegetables which grow nowhere else in such profusion. The claim is made that the winter crops of vegetables and fruits bring more than $6,000,000 into the State annually; that Florida produces 20,000,000 dozens of eggs every year; 20,000,000 bushels of corn, 200,000 barrels of sirup, a very large yield of Irish potatoes, 82 per cent of all the phosphate mined in the United States; has the largest tobacco plantation in the world, and is one of the leading cattle States of the country. There is much more put forward about Florida, but the above, if not all correct—I do not vouch for it—will at least serve to show something of the real situation and the contributing cause of the State's amazing growth.

On the other hand, there is neither coal nor iron in Florida, and many fruits of temperate zones, such as apples, do not thrive there or peaches grown for shipment. Wheat is not grown.

That there is a large faith in the future of Florida is best attested by the character of the men who are building it up—their enthusiasm and the convincing argument of the money they have invested.

The best summing up of the situation that I can give is that Florida is Florida and there is nothing else like it.

Her unfolding, the pioneering thitherward, the feverish activity prevalent, all mark one of the most interesting chapters of the many that go to make up the romance of American history.

[From the Sunday Times-Union, November 29, 1925]

HOW FLORIDA HELPS THE SOUTH

Assertions have been made in these columns from time to time that Florida, in many ways, is helping the South, that Florida prosperity is overflowing into other States and sections of the Southeast. To some people this may have appeared unwarranted claiming of credit for Florida, may have appeared as Florida "boosting," as is the detested word.

The fact is, there is justification, plenty of it, and confirmation, too, for what the Times-Union has asserted. Very many instances have occurred of Florida helping the entire South to prosper. One of the latest of these is contained in a New York Associated Press dispatch that tells of remarkable increase in freight and passenger traffic, of a line of steamers operating out of New York and Boston, that is the "direct result" of unusual prosperity in Florida. In the dispatch referred to this it said:

"* * * In some instances freight shipments have increased more than 100 per cent. Tourist traffic from New England is running at the highest level in the history of the line. The great increase in real-estate activity in Florida and excellent tobacco, cotton, and other crops are credited with aiding the upward trend. Exportation of cotton from the Southern States to Europe is higher than at any time in recent years, it was announced."

The foregoing is a summary of the annual report made by the steamship line referred to, and that goes so very far by way of confirming what has been said in these columns from time to time. While it is entirely true that Florida is helping other sections of the South, in more business and to the enjoyment of greater prosperity, that same Florida help is extending even beyond the South—to New York and New England, for instance, where are the offices of the line of steamers that is profiting very greatly by reason of Florida prosperity.

This is but a single instance that shows unmistakably that Florida is helping people and places other than its own. The era of prosperity on which Florida has entered and which promises to be continuing is making its impress, is carrying its benefits far and wide, and in a perfectly legitimate manner. Many lines of business as well as of transportation benefit by whatever helps Florida to grow and prosper.

Here and there are narrow-minded individuals who would crush Florida prosperity because they have a mistaken notion that what is taking place in Florida is for the benefit of this State alone. Nothing could be farther from the truth. Much of the money that is coming to Florida already is earning more money for those who send it here, and, in reality, for those who are trying to cripple Florida, to put a crimp in Florida prosperity and progress. Such as these know not what they are doing. They are like those who are said to "cut off their noses to spite their faces."

Liberal-minded, ambitious people everywhere rejoice in Florida's prosperity, realizing that they in some way or manner may and do benefit thereby. In so far as all the South feeling the effects of Florida prosperity and help there is no doubt whatever.

TRYING TO CHECK THE TIDE

[From the Times-Union, November 24, 1925]

The Houston Post-Dispatch does not believe that there is any movement in the country to injure Florida as has been claimed by the Florida Real Estate Association but admits that a determined effort is widespread in the Northern and Middle West States to check the emigration to this State. This is not denied. The reason for it being self-defense and entirely justifiable. But, of course, the arguments against Florida are not always fair. They are certainly not proving effective at this time, and Florida really need not worry greatly over the strenuous demonstrations made in favor of "staying home" and spending the savings in Northern and Western States. The call of the South has been heard, and there are many reasons for the movement into Florida.

The Houston Post-Dispatch says that "Florida is making its great progress largely through attracting wealth to it from other States. Many people have been rushing to the Peninsula State with the expectation of getting rich there, but the most of them based their expectation upon the opportunity for speculation. And most of what has been accomplished recently in Florida has been accomplished through money brought in from the outside and not from wealth created in Florida." The charge of speculation is of course true—but where under the sun is there a place to win without speculation? Northern and eastern money is helping to build fine resort and commercial hotels in Florida—speculating upon future and continued patronage. Northern and eastern capital is buying and extending great citrus fruit groves, and great acreage in sugar cane and pineapples and bananas and tomatoes and beans and potatoes, hoping for continued good markets at fair prices.

Florida is the most wonderful agricultural State in the country and can raise practically anything grown anywhere in the world and make the crop pay. To develop more of the millions of acres here money must come from outside, and when invested and properly directed the returns are certain and generous. There is a class of speculators now working in Florida who expect to do nothing more than "turn over" lots and other property bought for that purpose. They will sell very largely to other speculators, and some will fail to realize the profits hoped for. But Florida property is very largely bought on value, and where the investor has been careful and knows something about the possibilities, even a great many speculators are doing very well and find the situation interesting.

"It can not be described as a hostile feeling," declares the Post-Dispatch, "or a desire to misrepresent or attack either Florida or California, when States are inciting a defensive effort against losing population and wealth to the two States mentioned. But there is a well-defined sentiment that something must be done to make the people realize the advantages at home and to influence them to remain there." Florida only invites the people here, without any particular call to any sections of the country, and tells them what can be expected. Florida takes no part in exploiting the real estate boom. The natural advantages of this State are sufficient to attract when understood, and explaining them and giving facts regarding climate and productions is regarded as a fair and reasonable argument. If other sections content themselves with advertising their attractions and go no further than telling the truth about Florida this State will have no protest to make.

[From the Tampa Morning Tribune]

FLORIDA, THE AWAKENER

The anti-Florida propaganda is rapidly dying out. It has been exhausted by its own animus.

Every day now we see evidences that publications hitherto hostile to Florida have seen the error of their ways. There is a tendency on their part to make amends to Florida, not by outright apology, of course, but by assuming a much more favorable attitude. They have realized that their attacks on Florida have been reacting upon them and upon their own cities and States. Most of them were actuated by the frenzied protests of "prominent citizens," or "constant readers," or "leading bankers and business men" in their communities, who were feeling the Florida movement in the region of their bank accounts. Some of these campaigns against Florida were deliberately planned, organized, and financed. In other cases newspapers were influenced merely by expressions of those who had been affected in their commercial interests or their banking interests by the withdrawal of money for investment in Florida and by the departure of their customers and friends for this State.

But now the anti-Florida propagandists are becoming ashamed of themselves. Some of them are openly "back tracking" and now print fair and favorable articles about Florida.

Among the really distinguished and worth-while newspapers of the country which were deceived into participating in the anti-Florida agitation is the Richmond Times-Dispatch. The Times-Dispatch printed some very cruel and very unfair things about Florida. But the Times-Dispatch has evidently been making some investigations on its own account and no longer accepting the "I-say-so" dictum of the Toms, Dicks, and Harrys of selfish or jealous prejudice. Hence we hail with particular joy the leading editorial in the Times-Dispatch of November 29, headed "The South To-day," which, after quoting with approval the slogan, "The South of to-day is the West of yesterday, the young man's promised land," says of Florida:

"In this quickened life of the South, Florida is playing a large rôle. The development which that State is undergoing is no accident; the way had been carefully prepared through years of publicity. The results have been beyond what Florida itself imagined they could be and they have brought embarrassments, but the fact remains that Florida has wonderful and stable values and the normal to which it eventually will return will be far beyond even the most roseate dreams of a few years ago. To Florida the South owes a debt of gratitude, for in centering the attention of the world on itself it has brought the entire South into the sunlight and hastened by years the development that is inevitable. To quote the Manufacturers Record: 'The Florida situation as it relates to the South is the one great, outstanding advertisement, nation-wide in its scope, worth in the aggregate not millions but hundreds of millions of dollars in publicity, the effect of which will be south-wide in its results.' 'For many years,' says a Georgia writer in the same publication, 'the birds following the sun, and the tramps following the birds, and the drummers on business bent, constituted the sum total of our visitors to the South. The birds could not talk and the story tell; no one would listen to a tramp and few outsiders believed what the drummers said of the South, but Florida is bringing all sorts of kinds and conditions of men and women folk to observe us. Florida is our decoy de luxe, and the human ducks have ducats in their pockets.'"

Strange, indeed, that this thoughtful and discerning editor did not see from the first that the growth and development of Florida meant growth and development for the whole South, that Florida is "playing a very real and valuable part in the South's progress." This is evidenced in its own State of Virginia, for the Richmond paper says, "Virginia is beginning to stir under a quickened realization of what the future has in store."'

Congratulations to the Times-Dispatch and to the other newspapers which are "seeing the light" and which have reached the inevitable and the logical conclusion that Florida, instead of being a menace to the rest of the South, is really the awakener, the inspiration, the example to its sister States, showing them the way to properly appraise and use their natural advantages and resources for accelerated progress and abiding prosperity.

[From the Sunday Times-Union]

WHY FLORIDA ATTRACTS PRACTICAL PEOPLE

There is abundant evidence for saying that Florida attracts large numbers of practical people. The temptation was to say that Florida attracts "big" men. It does. But it must be understood that

"big," in this instance, does not mean only men of great wealth. The word indicates men of moderate means, but possessed of practical ideas and knowledge, of good judgment. It may mean even those who only are "big" in energy and enterprise, although possessors of very little money. All such are "big" men in the sense here intended. These are the men to whom Florida makes the strongest sort of appeal, is making it now, and will continue so to do as long as there is opportunity and room in Florida for men of wealth and also for men of ability and energy to operate.

In the 16-page Florida section which the New York Sun issued last Saturday a number of "big" men told why Florida has attracted their attention and their money, among the number being August Heckscher, who some years ago began making extensive investments in Florida—because the Florida appeal reached him earlier than it did many others. Mr. Heckscher has given the Sun various reasons for his belief in Florida. He says that "the advantages of Florida," * * * that "have been little recognized in the past," are:

"Climate first, which includes an abundant rainfall well distributed and the vast and constant reservoir of water in the lakes, some of them of enormous size, that dot a good two-thirds of the peninsula. Fertility of the soil next; almost anything will grow and ripen in Florida. Thirdly, thousands of miles of fine beaches on the Atlantic Ocean and the Gulf of Mexico, many bays, many harbors, and fertile islands. The most marvelous fishing, yachting, and motor boating on lake, river, and ocean under summer skies.

"The soil, the climate, the ocean frontage, the lakes stocked with fish, the great phosphate beds in the interior of the peninsula have been largely neglected until the hand of man by intensive development, the exploiting of harbors, the building of good roads, the omnipresent automobile, the planting of some of the soil, and the keen longing for rest and recreation have brought an entire nation to the threshold of this promised land."

Is it any wonder that August Heckscher has invested hundreds of thousands of dollars in Florida land and property, that he continues to have faith in this State, and that his son is following in his footsteps? Not at all. Florida climate and soil made their first appeal to Mr. Heckscher. The other sources of appeal, as indicated by him in the Sun, are secondary, but none the less strong.

Other "big" men like Mr. Heckscher, Jacob Ruppert, George E. Merrick, J. W. Young, Barron Collier, John McE. Bowman, among them, testify, through the Sun, of the grip that Florida has on them. These are all outstanding business men whose great wealth has been amassed in various business enterprises. Their good judgment has enabled them to succeed. Is it likely that their judgment concerning Florida is faulty? Not at all. Their judgment with reference to Florida is just as good as any they have formed with reference to their other business enterprises, and to them Florida offers a business investment that they thoroughly appreciate, as is evidenced by the millions of dollars they have invested in this State.

It is worth noting that where successful business men cast their lots the opportunities for profitable investment are best; also that there those with less of money may find their opportunities if they will use good judgment and wise caution. Even to those who have nothing to invest but their skill and experience Florida makes appeal. The State needs labor even more than it needs money. The latter is assured, because the Florida attractions are irresistible. Having and getting the money, Florida now and always needs builders, men whose work is needed on the farms and in the cities and towns of this State. For all who are worthy the rewards are ample.

GIVING THE PEOPLE GOOD ADVICE

[From The Florida Times-Union, December 3, 1925]

Newspapers of the United States are giving more space to Florida at this time than ever before, and while some few appear to be intent upon belittling the claims of this State and doing whatever they can to check the interest and interfere with the movement in this direction, many others are giving facts and offering advice that is excellent. The Pittsburgh Gazette-Times is among the latter class, and has more than once discussed what is called the Florida "boom" in the North and East and West. Recently the Gazette-Times told of a shipment of 9 tons of steel products by a Pittsburgh manufacturer, who used the express service to deliver the goods, a rather unusual procedure, and one that cost the buyers a pretty penny for transportation. But the stuff was needed in a hurry, and the railroads were busy bringing in foodstuff and passengers and could only promise to deliver freight somewhat slower than ordinarily.

The newspaper did not undertake to blame Florida or the transportation companies for this state of affairs, but seems to have decided that things will work out satisfactorily if given a little more time. Certainly the authorities are doing their best to keep the stream of traffic and the trainloads of things in and out moving promptly.

The greatly increased demands made upon railroads and steamship lines serving Florida found all concerned working hard to keep up and extend and improve. The situation which is complained of by shippers and others is only that which always occurs when a great movement is indicated toward any particular point. But all the trouble in this line is being adjusted and will be anticipated in the future as far as human ingenuity and labor can provide for new and extended service.

The Gazette-Times concludes its remarks by saying:

"Floridians protest against the popular interest in their State being characterized as a land boom. They prefer to call it a substantial development. There is solid ground for the distinction they make, though one need not ignore the fact of the speculation that first turned the eyes of the country that way. The significance of the freight congestion on all lines running into Jacksonville is that thousands of people are going to Florida with intent to make their homes there. The tied-up freight is largely building materials and supplies of a character needed to make the growing population comfortable.

"It only remains to be seen whether the migrators have been foresighted enough to assure their 'keep' during the period of assimilation of the human tide. There must be producers as well as consumers among the settlers if all are to flourish. If the proportion of the former among the newcomers is adequate the development of Florida's resources will be swift and the State will keep most of those who are flocking in."

"There must be producers as well as consumers among the settlers," the Pittsburgh editor avers, and that is a point to be impressed upon the incoming throng. Florida welcomes visitors who can afford to come and enjoy her wonderful climate, perhaps without particular personal efforts toward industry during their stay; Florida also welcomes and desires newcomers who are ready to get to work in one way or another and develop the resources and add to the products of soil and mine and industry in the State.

Florida is glad to have new capital invested here, and is delighted when the capitalist decides that this is a place to establish a branch factory or secure interest in an orange grove or a phosphate mine or some other well-known undertaking. Florida, long called the winter playground of the country, offers unusual attractions for those who would actively participate in the workday programs and contribute their time and brains and money to assist in making this State more famous for its industry as well as for its unrivaled climate and special productions.

Mr. FLETCHER. In one of these articles which I have asked to insert in the RECORD reference is made to an address by Mr. P. O. Knight, of Tampa. I quote from the report of that address the following:

KNIGHT FLAYS ALL TAXES ON INHERITANCES—INVESTMENT BANKERS ARE TOLD OF WONDERS OF FLORIDA

ST. PETERSBURG, FLA.—Leading investment bankers of the Nation to-day cheered Peter O. Knight, of Tampa, Fla., former vice president and general counsel of the Hog Island shipbuilding and now one of Florida's leading citizens, on his defense against inheritance tax.

Mr. Knight appeared before the bankers attending the fourteenth annual convention of the Investment Bankers Association of America in session here to talk about Florida and to tell it to the bankers. He soon launched into his battle against the inheritance tax and was wildly applauded.

"In Florida," Mr. Knight said, "we have no inheritance tax because we think it is wrong. We think an inheritance tax is socialistic, bolshevistic, communistic, and anarchistic.

"We agree with President Coolidge that it is legalized robbery," he added.

Mr. Knight's address in part follows:

"I have been told that I am to talk about Florida, to brag about Florida. I don't like to do that; ordinarily I do, but upon such an occasion as this I don't, but it seems that the exigencies of the situation require that I should do it. Therefore I must.

"I am not going to speak about Florida as a health resort because its fame in that respect is known all over the world.

"It is certainly not necessary to talk about Florida as a tourist resort. I am going to talk about other things—more serious things.

TELLS OF RAPID GROWTH

"I am not such a very old man—at least, I do not think I am—and yet I saw the first house built in St. Petersburg. It was in the winter of 1890, the same year that I located in Tampa, a little town then, 22 miles from here. At that time there was a bank in Tampa with $300,000 of total resources. It was the only bank in south Florida. When I say south Florida I mean the east as well as the west coast.

"It will probably astonish you to know that now the total deposits of all the banks of Florida are just three and a half times as much as all of the deposits of all of the banks in the 16 Southern States in 1881. To be more exact, the deposits of the 16 Southern States at that time were $231,000,000 and to-day the deposits of all the banks in Florida are between seven hundred and fifty and eight hundred millions. I doubt if a more amazing story of stupendous and rapid growth of any territory in this country, and the world, so far as that is concerned, has ever yet been told or can be told.

"And this prosperity of Florida, the prosperity that Florida is now having, is not due to any hectic real-estate speculation that this State has been afflicted with, but to fundamental, underlying conditions, and to constant, continuous development and growth of the past 30 years.

RESOURCES OF FLORIDA

"This State could build a wall around itself and support its people without any intercourse with the outside world. It furnishes 80 per cent of the phosphate that the people of the United States use. It furnishes 60 per cent of the naval stores that the people of the United States use. Outside of the Mediterranean it is the greatest sponge market in the world. Whoever heard of Florida as a manufacturing State? And yet last year the value of our manufactured products approximated $300,000,000.

May I refer to some other statements by responsible, well-informed parties:

Nothing can stop the growth of Florida, because the sources of her wealth are providential and not arranged by real-estate agents—

Said George Ade. He further said:

The two great assets of Florida always will be sunshine and warmth, no matter how great may be the development in specialized agriculture and gardening.

Mr. Babson says the desire for health and happiness are the moving causes of Florida's growth.

Former Secretary of Agriculture Wilson said Florida possessed in eminent degree the two necessary elements in the making of a great agricultural State—heat and moisture.

Mr. President, the truth is, people find there what they want and what they can find nowhere else.

Mr. Richard H. Edmonds, editor of the Manufacturers' Record, says:

Florida is a blessed privilege. There one is able to work harder and live longer, and to conserve health and vitality. Florida is a heaven-blessed spot, with a climate that is an inestimable asset. Diamonds at Tiffany's have not a more concrete value.

In Florida the two great disturbers—death and taxes—lose in large part their terrors.

Let others refrain from envy or criticism because she is able to put off the specter of death by her climate and push back the specter of taxes by constitutional amendment.

There can never be another Florida, and there is only one.

There are Jeremiahs, with judgment and vision, who believe "fields and vineyards shall be possessed again in this land."

The short-sighted, timorous Hanameels will realize the consequences of their lack of faith and courage.

Accessible to 75,000,000 of the people, who may travel by paved highways, Pullman trains, steamships, and airplanes; composed of health seekers, pleasure hunters, business and professional engagers, workers in the fields, orchards, gardens, forest, and farms; builders of highways, railroads, ships, bridges, and houses; manufacturers, miners, captains of industry, and modest home lovers; the powerful and the humble, the rich and the poor, moving in ever-increasing numbers into the State, all in love with Florida, whose destiny as the world's health and joy mecca, and the land of good American homes and sound and successful American enterprises, is assured.

Congress may do its worst, but that growth and development will go on.

Fair and proper encouragement is deserved and that would "promote the general welfare."

Congress might at least refrain from a deliberate attempt to obstruct that progress which arouses the admiration of the world.

I ask to have inserted as a part of my remarks, also, certain resolutions and several short articles.

The PRESIDING OFFICER. Without objection, the resolutions and articles referred to will be printed in the RECORD.

The resolutions and articles are as follows:

Resolutions of the Florida State Chamber of Commerce, adopted at its annual meeting at St. Petersburg, Fla., December 2, 1925

Whereas the people of the State of Florida, by a vote of 4 to 1, adopted a constitutional amendment prohibiting the State from levying in the future any inheritance or income tax; and,

Whereas the State is having unparalleled prosperity largely as a result of this wise, conservative, and far-sighted action upon the part of its citizens; and,

Whereas the Ways and Means Committee of the House of Representatives is endeavoring to deprive Florida of the wonderful benefits she is receiving by reason of this very wise action upon the part of its citizens by proposing to Congress that it enact a Federal law allowing those States that have inheritance taxes a credit to the extent of 80 per cent of taxes so paid, the admitted purpose of which is to force the States of Florida and Alabama to levy an inheritance tax; and

Whereas taxing the dead, either by Federal legislation or State legislation, is a capital levy and should not be resorted to except in time of war or other grave emergency; and

Whereas an inheritance tax, if it is to be written into law at all, is a prerogative of the State, a political question exclusively within the province of the State; and

Whereas by the proposed action of the Ways and Means Committee, in proposing to give to the respective States that have inheritance taxes credit for 80 per cent of the taxes so paid, the committee admits that the Federal Government does not need the revenue; and

Whereas the action of the Ways and Means Committee, in endeavoring by Federal legislation to coerce a sovereign State into enacting legislation contrary to the wishes of the people of that State, in a question of purely local concern, is unprecedented, arbitrary, despotic, indefensible, and contrary to the very fundamentals of our American form of government: Therefore be it

Resolved, That we call upon our Senators and Representatives in Congress to demand the immediate repeal of the Federal inheritance tax, and that they take such action as may in their judgment be deemed best to prevent the successful carrying out of the iniquitous, vicious, and indefensible proposal of the Ways and Means Committee of the House of Representatives; be it further

Resolved, That copies of this resolution be sent to our Senators and Representatives in Congress, the President of the United States, the Secretary of the Treasury, the press of the State, the press of Washington, and the press of New York City.

[From the Jacksonville Journal, December 14, 1925]

DEMAND FROM FLORIDA HELP TO NORTHWEST—FLEET ON WAY TO JACKSONVILLE AND MIAMI PORTS

SEATTLE, WASH.—The feverish haste to send full cargoes of Puget Sound lumber and shingles to Florida was equaled only by the suddenness of the building activities following the San Francisco earthquake when every facility for shipping was called into action.

The demand from Florida for Northwest building material has been the feature of the winter. Lumber mills accustomed to closing down for the Yuletide period are still running full blast to get out orders. Loggers are earning more money than usual and great prosperity prevails. On with the Florida prosperity, says Northwest lumbermen, for the good times are reflected in increased pay rolls in the forests directly opposite the southeastern point of the Nation.

Northwest apples are also going to Florida in exchange for grapefruit and oranges.

Fourteen sailing vessels and four steamships are loading building materials at lumber mills on Puget Sound, three at Grace Harbor, and four on the Columbia River. This great fleet laden with balsam fir and spicy cedar of the Northwest's mighty forests will rush post haste to Miami and Jacksonville for discharge. In addition to the above boats are two sea-going barges, *Dacula* and *T No. 38*, which are being loaded with 3,000,000 feet of large-dimensions stuff for Miami. The barges will be towed the entire distance by large tugs. This is the most daring attempt ever made to deliver a large shipment of Northwest timbers.

What is expected to be one of the greatest races ever held between commercial vessels in American waters started from Grays Harbor when the sailing schooners *Alvena* and *Irene* left for Miami on their last voyage from the Pacific Northwest.

Known as the "twin pearls of the Pacific" the ships are exact in size, tonnage, and sail spread. They left here on the same day and the outcome will be watched with keen interest by maritime men. One boat is filled with planking and small-dimension stuff with a small deck load; the other is loaded with cedar shingles and heavy timbers. The first leg of the race to the Panama Canal is the easiest, but once in the Caribbean Sea with the season's squalls, calms, and treacherous currents the going will be difficult.

[From the Jacksonville Journal, December 14, 1925]

"THE PUBLIC INTEREST FIRST"

FLORIDA HELPS COUNTRY

Some recent events bear out with the greatest force that any sensible man would ask that the prosperity of Florida is helping the country, and that the defamers of the State when they attack it are hurting themselves.

Within recent weeks tremendous orders have been placed by the railroads of Florida for locomotives and railroad equipment generally. The increase in railroad earnings in the South has been phenomenal. The publication of returns reveals mounting figures far beyond last year's records. In each case the increase is ascribed to the business in Florida. The roads have been required to make enormous expenditures to meet the extraordinary demands. When new cars are purchased, new locomotives built, new rails laid, it means that a contribution has been made to the Nation's business total, that thousands of workers will continue to get their weekly pay checks, that investors

will get their dividends, all because of the purchases made necessary by the Florida expansion. The same logic applies to every line of business.

Buyers in New York recently complained that prices were going up because of the demand for materials in Florida. The result of this is that the manufacturers of building supplies will be kept busy and that thousands will benefit directly because of the growing prosperity here, although they may never have seen the State. These same workers no doubt have been told that the Florida development is a bubble. It is no bubble when it comes to getting their week's earnings.

From the Pacific coast port of Seattle comes the announcement that 18 vessels are carrying lumber supplies to Jacksonville and Miami. The lumber mills of the Northwest have been kept in operation through the Christmas season to prepare shipments for Florida, a condition of prosperity unknown to that locality. Building in Florida is given specific credit for the winter's boom in the great lumber country.

All this goes to show that a mighty factor in the Nation's prosperity which is heralded by Secretary Mellon, President Coolidge, and the leaders in the financial world is the business that is traced directly to orders from Florida.

It ill becomes any State or community to "bite the hand that feeds it," and that is just what is being done when attacks are made upon Florida by another State, by another community, or by anyone outside.

FIGHTING A VICIOUS BILL

The attack made upon the estate provision of the new revenue measure by the Representatives in Congress from Florida meets the expectations of the people of Florida who want the campaign continued unabated until some recession is made by the framers of this measure. The bill is directed at Florida principally because this State has profited from its foresight in prohibiting what the President and Secretary Mellon say is an unjust tax. The Secretary and President profess to be scientific tax makers. They profess to want to do away with improper levies and discriminatory rates. How they can swallow a clause in this bill which levies tribute upon Florida is beyond the understanding of the people of this State. A word from them would go far toward eliminating the entire clause for Federal taxes upon inheritances. They are known to be opposed to an estate tax by the Federal Government, and in view of that stand they should speak for the protection of States.

The efforts of the Members of Congress from Florida to defeat this indefensible tax provision deserves the support of all Floridians. They can give this support by the adoption of resolutions through every civic agency which may be forwarded on to Washington for use in the Senate and House.

[From the Sunday Star, December 27, 1925]

CITIES OF FLORIDA LEAD IN BUILDING—200 PER CENT GAIN IN NOVEMBER SHOWN AS BOOM CONTINUES IN STATE

The national monthly building survey of S. W. Straus & Co., made public to-day, shows that the 12 strictly Southern States continued in November to break their 1925 building permit records, exceeding November last year by 52 per cent, and reporting a total of $39,974,732 in 76 cities and towns.

"With this showing for the 11 months, these same Southern States will probably make a gain well over 50 per cent for the year," says the S. W. Straus & Co. survey.

"Florida's November gain was 200 per cent, with a total in 16 cities of $21,132,331. Every city reported from Florida had a phenomenal November increase. Other States in the group which showed November gains were Arkansas, Mississippi, North Carolina, South Carolina, and Texas.

MIAMI LEADS CITIES

"Miami led the southern cities in volume, with $5,498,399, compared to $1,395,660 in November, 1924. Coral Gables was second, with a total of $3,155,000, and making this new southern city sixteenth among the leading 25 cities of the entire country. St. Petersburg was third among the southern cities, with a November total of $2,470,300. Jacksonville was fourth, Dallas was fifth, and Tampa sixth.

Among the cities outside of Florida which showed substantial November gains were Greensboro, N. C., with a gain of nearly $1,000,000; New Orleans, Memphis, Knoxville, Winston-Salem, Asheville, N. C.; Mobile and Houston.

The whole country, 402 cities reporting to the survey, made a November gain of 26 per cent. Each region showed an increase over November, 1924, except the Pacific West, which had a slight decrease. The November total for the 402 cities and towns was $340,552,424.

LEADING SOUTHERN CITIES

The 25 leading Southern cities showing largest volume of permits for November, 1925, are:

Miami	$5,498,399
Coral Gables	3,155,000
St. Petersburg	2,470,300
Jacksonville	2,165,215
Dallas	$1,827,107
Tampa	1,659,002
Houston	1,316,389
Lakeland	1,112,095
Birmingham	1,083,229
Greensboro, N. C	1,196,673
Louisville	1,092,395
New Orleans	1,049,473
Memphis	1,043,380
Orlando	1,006,890
West Palm Beach	923,655
San Antonio	889,080
Miami Beach	868,975
Hollywood	779,400
Knoxville	668,334
Winston Salem	583,071
Asheville, N. C	579,931
Clearwater	570,750
Mobile, Ala	547,350
Richmond, Va	461,521
Atlanta	442,856
Total	32,990,462

FLORIDA LEADS ALL STATES IN GOOD BUSINESS—1926 OUTLOOK BRIGHTEST IN YEARS, SAYS COULT

Florida led all other States of the Union in good business conditions during 1925, and enters the new year to-morrow with its map cleared of all black blotches indicating bad business, according to figures received to-day by the State Chamber of Commerce, with headquarters in Jacksonville.

The encouraging figures were based primarily on a business map and review of economic and business conditions by Frank Green, managing editor of Bradstreet, which prepares a monthly feature for the Nation's Business, a magazine published by the United States Chamber of Commerce.

Black on the business map indicates "quiet," gray indicates "fair," and white indicates "good" business conditions. Florida has been "in white" on the map for several months. Only five other States are entirely "in white," and they were cleared of black and gray marks during December. They are Georgia, Alabama, Tennessee, Missouri, and Arizona.

"A study of this map from month to month has been a revelation to me," declared A. A. Coult, secretary of the State chamber. "It shows that Florida has been the only State in the Union to remain consistently in the white during 1925. Florida has experienced excellent business conditions throughout the entire year—and not only one section of Florida, but the State as a whole is tingling with good business and prosperity."

"The outlook for 1926 is the brightest in years," Mr. Coult continued. "Plans for building during the coming year are larger than at any other time in history. The increase in ownership of farms is encouraging and indicates that Florida's agricultural industry will be more rapidly developed during the coming year.

"The fact that conservative bankers of New York, Chicago, and elsewhere are making large investments and establishing branches in the State indicates confidence of the Nation's financiers in Florida.

"The budget by the Southern Bell Telephone & Telegraph Co. of $9,500,000 for expansion during 1926—after spending $6,000,000 in 1925—and the budget of the Peninsula Telephone Co. of $2,500,000 for expansion in 1926—shows spending $4,000,000 in 1925—shows the rapid growth and commensurate development of the State.

"Railroads serving Florida are extending their lines into new territory, establishing new terminals and buying new equipment in larger volume than roads in any other section of the country. This is indicative of the progress being made in all other lines of business activity in the State."

Figures received by the State chamber show that the total number of farms increased in the State during the period 1920 to 1925 from 54,005 to 59,217. Six thousand additional farmers were added to the State during the same period, there being 41,051 white farmers in the State in 1920 as compared with 47,205 in 1925.

Tenant farmers decreased and ownership of farms increased tremendously during that period. There were 38,487 owners of farms in 1920 and 13,689 tenants as compared with 45,608 farm owners in the State and 12,621 tenants in 1925.

These figures were described by Mr. Coult as "an inspiring revelation on the healthy condition of the farm industry in the State."

There are few States in the Union where farms are increasing in number, and where the ownership of farms is increasing. Instead, in most States they are leaving the farms and going to the cities, it was pointed out.

The State chamber has not yet compiled figures on the State's building activities during 1925 and on bank clearings and other barometers of the State's progress.

STAMP SALES IN JACKSONVILLE SHOW 222 PER CENT GAIN—RECORD REVEALS PROGRESS OF CITY IN REALTY AND BUSINESS

Documentary stamp sales for 1925 in Jacksonville show an increase of 222 per cent over the previous year, according to an estimated report made by Collector of Internal Revenue Peter H. Miller to the Journal to-day. Sales for the year just coming to a close were $226,413.16, as compared with $70,514.22, the total for 1924.

The peak month in stamp sales was October, when a total of $34,814.17 was sold; September ran a close second, with a total of $33,472.94. The last three months of 1925 alone total more than the entire year of 1924.

These figures, according to Mr. Miller, represent one of the most reliable barometers of business and real estate activities. In April of this year the sales began to increase, and they continued to increase up to October, after which only a slight decrease was shown, due to the usual holiday lull in business activities throughout the country. It is expected that the totals will continue to soar through the new year.

A glance at the figures, tabulated by months, shown below will indicate pretty well the trend of Jacksonville real estate and business activity during the past two years:

	1924	1925
January	$12,712.63	$5,968.93
February	8,178.61	8,033.38
March	8,927.62	9,429.29
April	8,843.36	12,446.04
May	7,177.02	13,230.90
June	4,988.00	15,989.10
July	3,601.52	16,165.73
August	2,804.10	23,932.78
September	1,986.89	33,472.84
October	4,022.53	34,814.17
November	2,940.16	28,347.20
December	4,331.78	23,582.80
Total	70,514.22	226,413.16

INCREASE OF 75 PER CENT IS REPORTED—HUGE GAIN SHOWN IN DEPOSITS AND RESOURCES

Billion-dollar Jacksonville, the banking center of Florida, shattered every banking record in the country for cities of its size and population in the enormous gain of its bank clearings and deposits and resources during the year of 1925.

Clearing showed a gain for the year of 75 per cent, or more than $635,000,000, while deposits showed a gain of 85 per cent, and resources of the nine National and State banks gained 87½ per cent.

Bank clearings for Jacksonville at the close of the year 1925 were $1,445,646,116.68, over $400,000,000 in excess of predictions made by local bankers at the first of the year, who believed the clearings would bring this city into the billion-dollar class.

Deposits jumped from $75,000,000 to $139,000,000 and resources from $79,000,000 to more than $148,000,000, a gain of over $64,000,000 in deposits and of over $69,000,000 in resources.

CLEARINGS CLIMBED

Bank clearings for January climbed from $87,323,087.33 in January of this year to $165,272,500.22 in December. February, with fewer business days than its predecessor, showed a total of $88,189,631.44; March reached a total of $106,293,262.53; April dropped to $104,826,398.52; while May evidenced a further drop to $93,782,768.06.

The total deposits of State and other banks in Jacksonville for deposits as of December 30, 1925, was $10,929,328.10, and resources of these six banks $11,827,772.04, which showed a gain of over 30 per cent for the year in both deposits and resources.

Deposits of the Peoples Bank of Jacksonville have reached the sum of $6,858,017.31 and resources total $7,117,151.15 in that institution, showing a deposit gain of over $2,000,000 for the year. The Citizens Bank of Jacksonville has deposits of $2,303,192 and resources of $2,487,000, while the Bank of South Jacksonville has $1,000,000 on deposit and resources of $1,163,859.54.

The Brotherhood State Bank shows deposits of $190,000 and resources of $220,000; the Fairfield Atlantic Bank, a new institution under the direction of the Atlantic National Bank, has made an enviable record since its doors were opened in the early summer of this year by piling up a total of deposits of $500,000 and resources of approximately $600,000. The Morris Plan bank has deposits of $78,117.79 in savings accounts and resources of $248,771.35.

SHARP RECOVERY

June brought a sharp recovery, making another record-breaking month, with $109,567,692.53, while July followed with the total of $131,598,515.40 and August slowed down to $116,896,193.74. September jumped to $128,867,060.96 and October reached the huge total of $157,678,284.61; November followed with $149,668,324.04 and was brought to the high total of $165,272,500.22 by December, making the year's total of clearings $1,445,646,116.68.

Figures of deposits and resources of the national banks of Jacksonville are based on the figures given to the United States Government as of September 28, 1925, plus 10 per cent and are considered very conservative inasmuch as the last quarter of the year was the greatest period in the banking history of the city and the gain for the year is indicated at a net gain of over 85 per cent.

On September 28 last the Atlantic National Bank had deposits of $50,320,579.68 and resources of $53,722,310.05, the Florida National Bank $33,896,343.60 in deposits and $35,905,470.37, while the Barnett National Bank had $32,525,939.79 in deposits and $34,827,416.58 in resources. These totals, with an estimated 10 per cent increase during the last three months, bring the deposits of these banks to $128,417,149.37 and resources to $136,900,716.70.

Totals of the national-bank deposits for the year 1924 were $67,425,278.93 and of the State banks $7,609,216.07. The gains for 1926 of national banks is estimated at $60,991,861.44 and of State and other banks $3,329,112.03, making a total gain in deposits of all banks $64,311,973.47 and a total in deposits to date of $139,346,476.47.

Resources for the national banks in 1924 were $71,250,358.35 and for other banks $8,185,548.66. The gain in resources of the national banks for 1925 was $65,650,558.35, and of other banks $3,642,224.38, making the total gain in resources during 1925 $69,292,541.73, and the total resources to date $148,728,448.74.

[From the Jacksonville Journal, January 1, 1926]

"THE PUBLIC INTEREST FIRST"

1925—1926

The year 1925 has been the greatest year in Florida's history, and the same forces that brought that result will make 1926 a greater one still if the logic of things counts and momentum is a factor in growth.

Likewise Jacksonville, the State's principal city, its leader in numbers and business volume, has experienced her greatest era of prosperity and should a year hence reach new heights by the same process of reasoning.

The United States has had a year of prosperity marked by a minimum of disquieting events and enters the new year with the expectation that national prosperity and happiness will continue to bless the land.

The world at large has had its share of troubles, but a new cry for peace has been heard with the certainty, so far as it can be predicated upon human frailties, that a new day has dawned to preserve peace and harmony among peoples.

The year marks an onward step in the unending progress of human kind, and the most pleasing sign from it all is that the accelerated movement is to be carried over into the new year.

Florida looks back a year ago and sees the greatest volume of business she has ever experienced during the 12 months now closing. Never has she had so many people or has she seen such continuous business activity. The population is rapidly nearing the 3,000,000 mark. The summer's business was the greatest ever known in the State. Hundreds of new subdivisions were opened. New towns have sprung up. Scores of new municipalities have been incorporated and dozens of towns have grown into cities.

A new State administration took office and began a program of expansion. New State buildings were authorized, the road program has been pushed forward, the tax rate lowered, faith kept in the ban on inheritance and estate taxes, larger appropriations voted for the State educational system, a real estate law passed, and legislative aid given expansion programs throughout the State.

The campaign against Florida was launched, but it has begun to react against the flood of facts and figures that point to Florida's growth and the recognition that the Florida business is a big factor in the Nation's prosperity. A campaign was launched to get the truth about Florida before the country which will counteract among thinking people who are guided by facts, the attack that had its roots in envy and jealousy.

A hard blow for Florida was the embargo, but it was not without effect in showing that the business of the State is of tremendous volume and in stimulating new construction. The Seaboard Air Line Railroad began extension of its lines to Miami and in other sections of the State. The Atlantic Coast Line Railroad announced the construction of a new line in western Florida, and also completed its double tracking to Richmond from Jacksonville. A new railroad entered the State with the coming of the Frisco system into Pensacola. The Florida East Coast Railroad speeded its program of double tracking down State to handle the enormous traffic. All roads placed big orders for equipment. The State's big problem is transportation in all its sweep.

A phase of Florida's expansion that suffices for the enumeration of figures is the reaching of the $300,000,000 mark for new building.

The State will continue its program of expansion next year, for the movement under way has only started. Announcement of a program of expenditure of $9,000,000 by the Bell Telephone Co. is a case in point. This might be duplicated by scores of others. Bank resources, crop production, traffic figures, realty transactions, business volume, all sustain in actual figures the forecast that Florida should continue next year its record of unparalleled growth.

[From the Tampa Morning Tribune, December 30, 1925]

THE SENATE SHOULD KILL IT

The inheritance-tax provision of the revenue bill has passed the House and is now pending in the Senate. On Monday the Senate Finance Committee will begin hearings on the bill as it comes from

the House, and the inheritance-tax provision will be before that committee for discussion and recommendation.

Florida has not receded from its position, taken before the country and before the House, that the proposed inheritance tax legislation is wrong in principle and indefensible in practice; that it involves the most drastic and inexcusable infraction of the rights of the States ever attempted by congressional action; that it is directly aimed at the State of Florida, inspired by the jealousy of other States which have seen and felt the advantage which Florida has obtained through its constitutional prohibition of this form of taxation.

Yet Florida does not base its objection to the proposal solely on its own local interests. It opposes the measure because it is both unjust and unnecessary, because it is violative of the accepted and time-tested principles of American government.

It may be held that the merits and demerits of an inheritance tax are debatable. If we grant that, the inevitable conclusion yet remains that the only justification for an inheritance tax by the Federal Government is that the Government needs the money. Then, if the Federal Government does need the revenue from such tax, the Federal Government surely should keep the money after it collects it and not rebate it to the States.

That the Federal Government should, as it will do in the adoption of this provision, act as a tax collector for the respective sovereign States is un-American and indefensible from any standpoint.

The Tribune can not see how any Member of the Senate, Republican or Democrat, can justify this proposal, considering it from any angle.

Furthermore, this provision of the revenue bill is admittedly an attempt to force Florida to levy an inheritance tax, although the people of Florida, by an overwhelming majority, have voted that they do not wish to levy this form of taxation, and have written it into their constitution that such tax can not be imposed in this State. Yet, even should the adoption of this measure have the desired effect in forcing the people of Florida to do this thing against their expressed will and desire, Florida could not possibly repeal its constitutional amendment and impose an inheritance tax before April, 1929.

The Tribune again urges all the Representatives of this State in Congress, especially our two Senators, and all friends of Florida and advocates of the square deal in legislation to use their utmost endeavors to defeat this inheritance-tax provision in the Senate.

It is unnecessary from a revenue standpoint; it is un-American in principle and practice; it is an effort to dictate to the sovereign States; and it will be resented by the people generally.

The Tribune hopes that the sense of right and fair play will prevail in the Senate and that this indignity be not visited upon Florida or upon the Nation.

GEORGIA PAPER OPPOSES TAX ON ESTATES—FLORIDA'S FIGHT ON INHERITANCE LEVY GIVEN ADDITIONAL SUPPORT

Florida's fight against adoption by the Senate of the House amendment to the Federal inheritance tax law, sponsored by Chairman GREEN, of the House Ways and Means Committee, instead of repeal of the law, as recommended by President Coolidge, is receiving newspaper support in all parts of the country, according to the Florida State Chamber of Commerce. Col. Peter O. Knight, of Tampa, one of the first Floridians to realize the significance of the Green amendment, has declared that the inheritance tax is indefensible. He has called it communistic, bolshevistic, anarchistic, and a few other things. Now comes the Macon (Ga.) Telegraph with a few words on the subject, and the newspaper condemns the law in such terms as to indicate that the editor went deep into sundry and various dictionaries for words to fit the case.

One paragraph from the Telegraph's editorial follows:

"The Telegraph's position in the inheritance tax has been made clear before, but it is well to state it again. We do not favor the inheritance tax because it is communistic, in violation of all our inherited and established principles of the sacredness of private property. It makes of the Government a grave robber. It sets officers of the law beside the funeral bier to take from widows and children property that has been accumulated legitimately, it must be presumed, to turn it over to those who have not had the enterprise to accumulate it. It forces the quick sale and sacrifice of securities and real property and frequently works hardships."

Senator FLETCHER, according to reports from Washington to the Florida State Chamber of Commerce, is devoting almost all of his time to preparations for the fight in the Senate when the House bill is brought up for consideration.

SUMMING UP THE SITUATION

Mr. FLETCHER. If the object is to break up large estates, the Federal Government, abandoning the purpose to raise revenue, should use an inheritance tax instead of an estate tax. Such a policy, moreover, can be better carried out by the use of the income tax. Evidently it is not for the purpose of raising revenue and it is not for the purpose of breaking up large estates that this estate tax is proposed to be continued in force.

It is fair then to say the purpose is, I repeat, to oblige the States to come into line with the Government's idea of a proper inheritance tax law which shall at least approach uniformity among all the States.

The question raises itself, What authority is found in the Constitution, express or implied, for the Federal Government to enact a tax law for any such purpose?

There is none. When the necessity for raising revenue ceases the power to resort to taxation to accomplish some other end or to enforce some kind of policy pleasing to Congress is wanting; in fact, never existed and the statute is invalid.

But the provision in this bill has even a narrower purpose in reality. It is aimed at Florida and Alabama, and possibly Nevada, where no inheritance taxes are imposed whatever, and the purpose is to compel them to join the other States in laying such taxes.

Particularly does Florida offend the sensibilities of those who insist on imposing upon their citizens inheritance taxes, because Florida has adopted a constitutional amendment providing that "no tax upon inheritances or upon the income of residents or citizens of this State shall be levied by the State of Florida or under its authority."

Florida has said in most solemn form that she does not wish to levy such taxes, she does not need to do so, she will not do so, and there is no power anywhere that can compel her to do so.

Florida calls to your mind the fact that it was not until 1910 that this form of taxation had reached a position of real importance—only about $10,000,000 were collected that year.

In 1921 the total collections, State and Federal, amounted to $221,000,000—twenty-two times as much.

Next, within five years 37 States have amended their rates, and all of them have raised their rates except one—California. Most of the States have constantly increased the number of nonresident taxes; exemptions vary from practically nothing to $75,000; top rates on direct heirs vary from 2 per cent to 14 per cent; collateral rates vary from 5 per cent to 64 per cent; there are marked variations in deductions and other provisions—to all these variations of State laws you demand Florida shall conform.

Again, the States tax about 130,000 estates and the Federal Government about 13,000 of them.

It is well known that the tendency of legislation to-day, with the States, is plainly toward relying more and more upon the revenue from death taxes; to increase the rates; to reach out after all property that it is possible for them to assess; to change their laws and rulings, always seeking additional revenue. Do you wish Florida to join in this orgie and harmonize with it and, further, indulge in what a distinguished authority on the subject characterized as "death-tax brigandage"? This is a great reform, indeed, to which you invite, then seek to drive us.

Florida declines to engage in this mad scramble for revenue involving to a large extent duplication of taxes and other injustice.

In some States death taxes yield only about 5 per cent of the State revenues, in others 30 per cent, and 60 per cent of that is from nonresident estates.

The unquestioned tendency of State legislatures is to increase the number of death taxes and the total yields. The framers of this bill deliberately encourage the States to increase their levies of inheritance taxes.

Under the existing laws "the fortune of an American living and dying in Manila, if bequeathed outside of the family and exceeding ten million, would be taxed upon that excess at the top rate of 104 per cent by the Federal and Philippine Governments." If the estate consisted of stock in corporations incorporated in various States, it would be possible to have the taxes run up to 305 per cent.

Those States levying succession or inheritances taxes of any kind, amounting now to only 25 per cent of the Federal estate tax, are told they must raise those to 80 per cent of the Federal tax.

Yes; there is need of uniformity.

But Florida prefers to lower rather than increase taxes on her people, and she feels she can make her best contribution to uniformity by refusing to enact any laws imposing inheritance taxes and permitting the States responsible for the variations and confusions to have a free hand to make their own adjustments.

Some States require the revenue derived from death taxes; Florida does not. The States will continue to impose those taxes. The Federal Government ought to yield the field to the States, just as the Governors of various States have urged. The inheritance tax committee of the National Tax Associa-

tion was right when two years ago they marked out a program which called for the abolition of the Federal estate tax.

The report of the national committee on inheritance taxation to the national conference on estate and inheritance taxation held at New Orleans, November 10, 1925, to which I have referred, is weakened by the recommendation that the Federal tax be retained for a period of six years, and in the meantime that "the credit provisions of the present law be extended to allow a credit of all inheritance taxes paid to the several States up to 80 per cent of the Federal tax." They aver this is done with the expectation that such a Federal statute "may have the effect of promoting uniformity."

It appears that the vote on the resolution in favor of the immediate repeal of the Federal estate tax was 12 in the affirmative and 16 in the negative, and after that vote this report was adopted. This feature, therefore, had but little more than a majority in its favor. The purpose in view was to compel the States to pass uniform inheritance tax laws by holding a club over them.

The report is theoretical. Its practical application escaped its framers. It is a question of fact whether an inheritance tax imposed by a State is sound or not. If such taxation is not needed by a State for the production of revenue for public purposes, then it simply becomes confiscation of capital and in that case can not be economically sound. That is a question for each State to determine, and conditions and circumstances in one State are likely to be altogether different from those in another State. It is not for Congress to prescribe a goose step for the States in matters of taxation. Why wait six years to do what it is believed should be done now? If the Federal estate tax is not required to raise necessary revenue it can not be abolished too speedily. All the evidence is that it is not so required.

Who gains by the provision that a credit up to 80 per cent of the Federal estate tax be allowed for estate, inheritance, succession, or legacy taxes paid to a State?

This means, in many instances, a net yield of 20 per cent only to the Federal Government.. Will that yield be sufficient to cover the maintenance of the machinery of the Government required for its collection and the administration of the division handling such taxes, to say nothing of the inconvenience to the country, involving numerous proceedings, waste, and expense, sometimes exhausting the estate?

Surely, we must recognize that the States, individuals, and descendants of the dead all have rights.

What warrant or justification can there be for deliberately taking a portion of the property left by a decedent with no net gain to the Federal Government or to the States?

It is simply proposed to disregard the rights of individuals and of States and penalize all those not willing to pay inheritance taxes.

All the agencies of administration and collection are to be employed, the rates are reduced, the credit mentioned is to be allowed, and a net decrease of revenue must necessarily follow, with the chances that the whole performance will result in a net loss to the Government.

The States, as such, will not benefit because none of the revenue would go to them. The only effect will be to induce them to increase taxes on their own people. No benefit would accrue to the administrator or executor by such a provision. An extra amount of trouble and expense will be occasioned, to be charged against the estate, thus obliging any estate to contribute, through Federal compulsion, to a futile attempt to coerce other States.

This all means to a certainty economic waste of no small proportions.

The Federal estate tax should be abolished now, and the pending revenue bill should carry the repeal of the estate tax as well as the gift tax.

Mr. President, I may have something further to say when this matter comes regularly before the Senate, particularly with reference to some other features of the bill referred to in a number of amendments which I have offered, but I wanted to say this much now, because I desired the Committee on Finance which is now considering the bill, and I also desired the other Members of the Senate, to have an opportunity of examining these views before they vote on this question.

EXECUTIVE SESSION

Mr. JONES of Washington. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 2 hours and 45 minutes spent in executive session the doors were reopened.

NOMINATION OF WALLACE M'CAMANT

In executive session this day, during the consideration of the nomination of Wallace McCamant, of Oregon, to be United States circuit judge, ninth circuit, on motion of Mr. JOHNSON, and by unanimous consent, the injunction of secrecy was removed from certain votes and proceedings in connection therewith, as follows:

Mr. JOHNSON moved that the Senate proceed to consider the said nomination in open executive session.

The VICE PRESIDENT ruled that the motion involved a suspension of paragraph 2 of Rule XXXVIII, and therefore required a two-thirds vote to carry the same.

Mr. JOHNSON appealed from the decision of the Chair on this ruling.

The question being, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. HARRISON called for the yeas and nays, and they were ordered.

The question being taken by yeas and nays, resulted—yeas 37, nays 34, as follows:

YEAS—37

Bratton	Fess	McLean	Shortridge
Butler	Glass	McNary	Smoot
Cameron	Goff	Means	Stanfield
Capper	Gooding	Oddie	Wadsworth
Curtis	Hale	Pepper	Watson
Dale	Harreld	Pine	Williams
Deneen	Jones, N. Mex.	Reed, Pa.	Willis
Edge	Jones, Wash.	Robinson, Ind.	
Ernst	Keyes	Sackett	
Fernald	Lenroot	Schall	

NAYS—34

Blease	Edwards	King	Simmons
Borah	Ferris	La Follette	Smith
Brookhart	Frazier	McKellar	Swanson
Bruce	Gerry	McMaster	Trammell
Caraway	Harris	Mayfield	Tyson
Copeland	Harrison	Norris	Walsh
Couzens	Howell	Pittman	Wheeler
Cummins	Johnson	Sheppard	
Dill	Kendrick	Shipstead	

So the decision of the Chair stood as the judgment of the Senate.

The question then recurred on agreeing to the motion of Mr. JOHNSON that the Senate proceed to consider the nomination in open executive session.

On this motion, Mr. HARRISON called for the yeas and nays, and they were ordered.

The question being taken by yeas and nays, resulted— yeas 40, nays 34, as follows:

YEAS—40

Blease	Dill	Jones, Wash.	Pittman
Borah	Edge	Kendrick	Reed, Mo.
Bratton	Fletcher	La Follette	Sheppard
Brookhart	Frazier	Lenroot	Shipstead
Broussard	Gerry	McKellar	Smith
Capper	Glass	McLean	Swanson
Caraway	Harris	McMaster	Trammell
Copeland	Harrison	Mayfield	Tyson
Couzens	Howell	Neely	Walsh
Cummins	Johnson	Norris	Wheeler

NAYS—34

Bruce	Fess	Metcalf	Simmons
Butler	Goff	Oddie	Smoot
Cameron	Gooding	Pepper	Stanfield
Curtis	Hale	Pine	Wadsworth
Dale	Harreld	Reed, Pa.	Watson
Deneen	Keyes	Robinson, Ind.	Williams
Edwards	McKinley	Sackett	Willis
Ernst	McNary	Schall	
Ferris	Means	Shortridge	

So the motion was rejected, two-thirds of the Senators present not having voted in the affirmative.

ADJOURNMENT

Mr. CURTIS. I move that the Senate adjourn as in legislative session.

The motion was agreed to; and (at 6 o'clock and 5 minutes p. m.) the Senate, as in legislative session, adjourned until tomorrow, Wednesday, January 6, 1926, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate January 5, 1926

SOLICITOR OF DEPARTMENT OF THE INTERIOR

Ernest O. Patterson, of South Dakota, to be Solicitor, Department of the Interior, vice John H. Edwards, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 5, 1926

CIVIL SERVICE COMMISSION

Jessie Dell, member of Civil Service Commission.

UNITED STATES MARSHAL

Jacob D. Walter, for the district of Connecticut.

POSTMASTERS

KENTUCKY

Louis E. Rue, Danville.
King Prewitt, Elkton.
John P. Balee, Guthrie.
Hebron Lawrence, Tompkinsville.
Henry H. Hargan, Vine Grove.

MISSISSIPPI

John R. Meunier, Biloxi.
George D. Myers, Byhalia.
Fletcher H. Womack, Crenshaw.
John Gewin, De Kalb.
Joseph E. Lane, Flora.
Woodard M. Herring, Inverness.
Asa A. Edwards, Laurel.
Alexander Yates, Utica.
Alfis F. Holcomb, Waynesboro.

NEVADA

Guy L. Eckley, Mina.
Albert R. Cave, Montello.
Raymond G. Jessen, McGill.
Anna S. Michal, Round Mountain.

NORTH DAKOTA

Daisy Thompson, Carpio.
Elizabeth L. Stahl, McGregor.

HOUSE OF REPRESENTATIVES

TUESDAY, *January 5, 1926*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

The testimonies of the Lord, our God, are true and righteous altogether. Abundant art Thou in wisdom and wonderful in compassion. Breathe upon us the Holy Spirit and stir our natures into the sweetest harmonies. May ideal truth, purity, and honor grow brighter and clearer to us. Teach us how to apply the standards of high duty to our daily tasks; make us equal to them. May all our hearts exclaim gratefully that "God is love." Guide, we beseech Thee, the destinies of our country and make happiness and industry natural and abundant. We pray in the name of the Gallilean Teacher. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO SIT DURING SESSIONS OF THE HOUSE

Mr. TILSON. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce, or any subcommittee thereof, be authorized to sit during the sessions of the House.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that the Committee on Interstate and Foreign Commerce, or any subcommittee thereof, be authorized to sit during the sessions of the House. Is there objection?

There was no objection.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Under clause 2, Rule XXIV, Senate bills and joint resolutions of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 1226. An act to amend the trading with the enemy act; to the Committee on Interstate and Foreign Commerce.

S. 1423. To relinquish the title of the United States to the land in the donation claim of the heirs of J. B. Baudreau situate in the county of Jackson, State of Mississippi; to the Committee on the Public Lands.

S. 1478. An act to authorize the transfer of the title to and jurisdiction over the right of way of the new Dixie Highway to the State of Kentucky; to the Committee on Military Affairs.

S. 1480. An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the Governments of the Latin-American Republics in military and naval matters; to the Committee on Military Affairs.

S. 1484. An act to amend section 1, act of March 4, 1909 (sundry civil act), so as to make the Chief of Finance of the Army a member of the Board of Commissioners of the United States Soldiers' Home; to the Committee on Military Affairs.

S. 1486. An act to authorize the Secretary of War to lease to the Bush Terminal Railroad Co. and to the Long Island Railroad use of railway tracks of Army supply base, South Brooklyn, N. Y.; to the Committee on Military Affairs.

S. J. Res. 4. Joint resolution to suspend until February 1, 1928, the jurisdiction, power, and authority of the Federal Power Commission to issue licenses on the Colorado River and its tributaries under the Federal water power act, approved June 10, 1920; to the Committee on Interstate and Foreign Commerce.

S. J. Res. 25. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point two Siamese subjects to be designated hereafter by the Government; to the Committee on Military Affairs.

THE RULES

Mr. TILSON. Mr. Speaker, I ask unanimous consent that clause 20 of Rule X, which is the clause referring to the Committee on Mines and Mining, be amended so that during the present Congress that committee may consist of 16 members instead of 15 members. I wish to say to the House that a Member who has rendered good service on this committee in prior Congresses has returned to this Congress, and I should like to have him placed on that committee.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. GARRETT of Tennessee. The gentleman from Ohio, in behalf of the committee on committees, as I understand, did me the courtesy of talking with me about this matter, and I wish to say it is perfectly agreeable that that be done.

Mr. TILSON. Mr. Speaker, in order to make it a matter of record, I will send a resolution to the Clerk's desk so that it may be formally entered in the RECORD, and I ask for the present consideration of the resolution.

The SPEAKER. The gentleman from Connecticut asks for the present consideration of a resolution which the Clerk will report.

The Clerk read as follows:

House Resolution 68

Resolved, That clause 20 of Rule X be amended by adding the following: "*Provided*, That until March 2, 1927, it shall consist of 16 members," so that it will read: "20. On Mines and Mining, to consist of 15 members: *Provided*, That until March 2, 1927, it shall consist of 16 members."

The SPEAKER. Is there objection to the present consideration of the resolution? [After a pause.] The Chair hears none.

The resolution was agreed to.

RESIGNATIONS FROM COMMITTEES

The SPEAKER. The Chair submits two resignations from committees:

JANUARY 4, 1926.

The Hon. NICHOLAS LONGWORTH,
Speaker House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Rivers and Harbors Committee of the House of Representatives.

Very truly yours, WALTER F. LINEBERGER.

JANUARY 4, 1926.

Hon. NICHOLAS LONGWORTH,
Speaker of the House of Representatives.

MY DEAR MR. SPEAKER: I hereby tender my resignation, effective immediately, as a member of the following committees: Elections No. 3, Census, and Insular Affairs.

Very sincerely yours, ALBERT E. CARTER.

The SPEAKER. Without objection, the resignations will be accepted.

There was no objection.

ELECTION OF MEMBERS TO STANDING COMMITTEES

Mr. TILSON. Mr. Speaker, I send a resolution to the Clerk's desk and ask for its immediate consideration.

The SPEAKER. The gentleman from Connecticut asks for the immediate consideration of a resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 69

Resolved, That the following Members be, and they are hereby, elected members of the following-named standing committees of the House, to wit:

Walter F. Lineberger, of California, Committee on Naval Affairs.
Albert E. Carter, of California, Committee on Rivers and Harbors.
Florence P. Kahn, of California, Committee on the Census.